

# 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 18, 2018

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 26, 2018 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





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January 18, 2018

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 January, 2018 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 26, 2018, 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 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 November 2017 – Bradley Cherry
6. Manager of Marketing & Member Services Report – Kim Bush
7. Manager of Operations and Safety Reports – Kyle Clevenger
8. Approval of Sixty-Eight (68) New Memberships and Retirement of One Hundred Four (104) Existing Memberships for January 2018
9. Consider Approval of Accounts to be Charged Off to Reserve \$3,338.65
10. Consider Approval of President’s Business Expense in the Amount of \$150.04, Director’s Business Expense in the Amount of \$20,279.09 and Attorney’s Business Expense in the Amount of \$1,112.23
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 and Employees
17. Review and Consider Approval of Proposed Changes in Bylaws
18. No Conflict of Interest Declaration – Board of Directors
19. Consideration of President and CEO Performance
20. Confirm Date for the February Board Meeting – February 23, 2018
21. Additional Business
22. Adjourn



On December 21, 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 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 November Board Meeting for informational purposes only.
- TECHNICAL SERVICES Andrea McCleese, reported on the following:
- DAVEY RESOURCE GROUP Davey Resource Group has completed the GIS field inventory. One employee remains in the field checking on questions from the office. They will have all the field inventory data from all substations except Mazie sent to Futura by the end of December. Futura added Leon to the map this week. Airport Road, Newfoundland and Sandy Hook are expected to be added to the map at the first of the year.
- AMI PROJECT The blanket order of all meters has been canceled in preparation of the AMI Project.
- PSC / AMI / CPCN The initial AMI CPCN data request from the Attorney General only had four questions. There was subparts to the four questions. We submitted eight pages back to them and are awaiting their response. President Fraley had some concern on the inventory and Bradley has talked to Alan Zumstein about it.
- MANAGER OF FINANCE & ACCOUNTING REPORT Bradley Cherry, Manager of Finance and Accounting presented the Financial Statistical Report for October 2017. Mr. Cherry reported on the following:
- FINANCIAL & STATISTICAL REPORT FOR OCTOBER Kilowatt hour sales for the month of October (10/01-10/31) were 26.44% over budget. Purchases for the time period of 10/1-31 were 2.53% over budget. Line loss for the last twelve months was 9.85%. Year to date margins were a deficit of (\$306,528.97) compared to the budgeted deficit amount of (\$2,402,043.18). When we switched billing cycles we are 20 days revenue difference (little over 1.4 million dollars) and will be through the end of the year. In January it will be actual month to month.
- FUEL ADJUSTMENT The fuel adjustment for October was (0.010194).
- ESC The environmental surcharge for October was 9.70%.
- OCTOBER T.I.E.R. The T.I.E.R for October was (2.65).  
November and December could get us back closer to the breaking even point and hopefully closer to our budget numbers, depending on the weather. Our equity is running at 32%.
- BILLS BY COUNTIES Bills by counties have picked up except for Lawrence County. The month of October was: Carter 4,572, Elliott 3,662, Greenup 4,319, Lawrence 774, Lewis 316 and Rowan 1,770.

- CAPITAL CREDITS                      We paid seventeen (17) Capital Credits accounts in the amount of \$13,084.32 totaling 163 accounts paid to date in the amount of \$165,592.27. We have seventeen (17) outstanding applications.
- KWH SALES                                Bradley gave a presentation on kWh sales on President Fraley's account from 2010-2017 with a month by month breakdown. In 2010 usage was 46,315 – a month ago year-to-date usage was 21,564, a 55% decrease. Part of the decrease was due to 2012 MACED program and part of it due to weather. Chairman Dupuy's usage for the same period was presented. His usage went from 27,018 to 16,947, a 27% decrease. Part of the decrease was due to changing out all light bulbs, but most of it was weather related.
- APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR OCTOBER 2017                      Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the Financial and Statistical report for October 2017 as presented for informational purposes only.
- 2018 PROPOSED BUDGET                      Chairman Dupuy turned the meeting over to Director Martin, Chairman of the Planning and Review Committee, who presented the 2018 Budget. He reported that Bradley Cherry presented the proposed budget December 18<sup>th</sup> to the Planning and Review Committee. Chairman Martin, turned the meeting over to President Fraley to read the minutes of the December 18<sup>th</sup> Planning and Review Meeting, as follows:

MINUTES OF THE PLANNING AND REVIEW COMMITTEE  
December 18, 2017

The Grayson R.E.C.C. Planning and Review Committee met Monday, December 18, 2017 at 9:20 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 reported on plans recommended by the Staff for the 2018 budget. President Fraley explained, that in light of our current financial condition, every recommendation made about the budget was made with that in mind. There were more IT purchases than normal, based on the required Risk Assessment Audit that was done late this fall. The point of the assessment was to help us identify our vulnerabilities, and recommendations were made concerning access by staff, passwords to be changed regularly, cyber security and other methods and programs critical to the integrity of our system. IT requirements and processes change rapidly.

President Fraley called on Bradley Cherry to assist with two budget scenarios. He and President Fraley met with the Staff to determine the needs of their departments for the coming year. All Staff members were cautioned to plan for only what was necessary this year. Once those needs were identified, he prepared two different versions of the budget. One budget contained a \$500,000 reserve for storm trouble and \$100,000 for a cost of service study that would be necessary if we file for a rate increase. Preparation of a new four year work plan was also included. However, the current work plan may be extended for another year. If so, the \$38,000 would be transferred to next year's budget. It is not unusual to extend the work plan, based on the amount of work remaining in the current work plan and how the balance of the loan funds. This plan did not meet our T.I.E.R requirements.

The second scenario did not include \$500,000 for storms. It was noted that, if we don't have any storms, we still would be at less than 1.1 for our T.I.E.R. requirements.

President Fraley said that, as usual, the 2018 budget was based on zero growth. Revenue was based on an average of the past three years. The work plan investment of \$4.175 million is based on the work we have planned for that year. In 2018, the Board will need to be ready to decide whether an addendum or extension will be needed. Permission from the Public Service Commission for our new metering program will play a big part in Board's decision to finish or extend the current work plan.

CFO Cherry handed out a list of specific projects included in the 2018 budget. The budget highlights are:

Work Plan Investment	\$4,175,481
Vehicles	\$ 122,295
Projects/Items for 2018	\$ 146,350

PLANNING AND REVIEW COMMITTEE  
DECEMBER 18, 2017  
PAGE 2

Chairman Martin asked that an overview of the proposed 2018 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 2018 Budget to the full Board at the December Board Meeting. Motion was approved unanimously by those present.

Director Martin adjourned at 10:24 a.m.

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

**2018 PROPOSED BUDGET**            The meeting was turned back over to Director Martin, who made a motion on behalf of the Planning and Review Committee to accept the budget as presented. Motion was seconded by Director Trent and unanimously agreed to approve the proposed 2018 budget as presented.

**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 9 – Robert Brown, Geographical Information System Technician, turned the meeting over to Cheyenne Holbrook who led the employees in the Pledge of Allegiance. Julie Lewis presented a video of the Honor Flight and a breakfast was served to honor our Veterans. Kendall Bush, KAEC safety personnel, discussed "Being Your Brother's Keeper, Safety is Not About You It's About Everybody" and "Reach, Extend Reach, and Add Two Feet". Kendall will be retiring January 2018. Bradley Cherry went over our insurance and the annual enrollment. Certificates were presented to Brian Poling and Scott Speaks for attendance at the EKPC/Member System Engineering, Operations & Reliability Conference. Becca Bender and Sherry



SAFETY REPORT  
(CONTINUED)

Conley has successfully completed the Service Excellence Part 4 Courses. President Fraley requested everyone to wear their safety gear and to be careful.

November 13 – Sherry Buckler, Manager of Accounting and Human Resources, read an article on Protecting Workers from Cold Stress. Common types of cold stress, hypothermia, frostbite, trench food, risk factors and how to protect yourself and others and what to do when a worker suffers from cold stress. Kyle Clevenger stated it was damp and cold and to watch out for each other, most of all slips, trips, and falls.

November 20 – Kim Bush, Manager of Marketing & Member Services, turned over meeting to Julie Lewis who showed a video on Thanksgiving Safety. Kyle Clevenger went over Safety Investigations on Carol Ann Fraley and Peggy Wells. The safety committee met and found no safety violations. Kyle asked everyone to watch out for slips, trips and falls.

November 27 – Bradley Cherry, Manager of Finance & Accounting, turned the meeting over to Ann Altieri with Energy Insurance agency. She went over changes to the accident plan and lump sums for critical illness and met with employees to go over any changes that they needed to make. Carol Ann Fraley requested to meet with Union members and staff after the meeting

Mr. Clevenger continues to mention the necessity of ground chains and that a line is not dead until it is grounded.

KAEC SAFETY MEETING

Kyle Clevenger and Nancy Madden attended KAEC's safety meeting in Lexington the first week in December. The PSC has requested that we report if a house fire was caused by electric. If someone hits a pole and goes to the hospital, this also is to be reported.

Federated reported that not wearing gloves and sleeves was the number one cause of accidents.

President Fraley also attended KAEC's safety meeting and they are going to start sharing accident reports statewide. Chris Perry will give a report to the Board every month. Kentucky's incident rate is 50% compared to Federated Insurance's national average of 11% on slips, trips and falls.

FEDERATED INSPECTION

Dave Erwin from Federated was here last week and spent the day in the field checking on crews. He reported to President Fraley that crews and their procedures looked very good.

JAMEY WITHROW

The doctor has taken Jamey Withrow off duty, due to his shoulder which continues to give him problems when he is working.

JURY DUTY

President Fraley wrote a letter to Greenup and Carter County Court Clerks, due to excessive jury duty among the Cooperative's employees. Over 24 employees have been called in Carter County over the past three years. This indicates the lack of random selection. The cost is \$141 in wages for a first class lineman to attend jury duty for ½ day.

CONSTRUCTION

Construction built one hundred thirty-seven (137) new work orders for the month of November and worked zero (0) hours of overtime.



**OVERTIME HOURS** The Maintenance Department worked three hundred eight (308) hours of overtime during the month of November; work order overtime hours was one hundred twenty-eight (128). Engineers worked zero (0) overtime hours.

**DELINQUENT NOTICES** There were 147 delinquents for December. Sixty-three (63) cards were issued to be disconnected and ten (10) accounts were disconnected by remote meter on December 7<sup>th</sup> for cycle 1. Fifty-three (53) cards were issued to be disconnected and twenty-one (21) accounts were disconnected by remote meter on December 18<sup>th</sup> for cycle 2. Field personnel disconnected a total of 20 meters and a total of 7 meters were reconnected by field personnel and remote.

**CONTRACT CREWS** We have two (2) Pike crews working.  
  
Tony Seagraves – ST RT 173, Rowan County and moved to ST RT 201 in Lawrence County  
Bob Marrow – Lost Creek Road 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 714 trees, cut 802 trees, and cut 23,410 feet of brush/line and sprayed 76 spans of line The crews are working in the following areas:  
  
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  
  
The Smith Tree Service has a circuit crew at Corral Park in Carter County.

**ENGINEERING REPORT** The Engineering Department released seventy-five (75) prints consisting of 1,272 feet of primary line and 1,482 feet of service wire. They currently have two (2) new services to be staked, two (2) to be drawn and eight (8) miscellaneous jobs to be staked or drawn.

**MANAGER OF MARKETING & MEMBER SERVICES** Kim Bush, Manager of Marketing and Member Services, gave her report on:

**LIHEAP** In November and December we received \$94,082 from LIHEAP, compared to last year's \$94,935.

**PREPAY** In January delinquents that are within ten days of disconnections, including PrePay's, can file for assistance with their utility bill. They could receive from \$200 (at a time) up to \$400. Consumers only get the disconnect amount.  
  
PrePay continues to grow and we currently have 698. The average payment is \$38.86 and the average credit was \$46 in the last 30 days. In the last 30 days we have taken 3,291 payments.

**DEBT MANAGEMENT** Out of 749 accounts we have 49 in debt management. Fifteen are under \$100.

PROMOTIONS We currently do not have any promotions on energy efficiency at this time. East Kentucky Power wants us to advertise solar.

AUDITS Energy audits reported by Tina Preece were:  
  
14 Energy Audits, 1 Heat Pump, 1 Button-Up, 1 Billing Insight, 1 Touchstone Energy Home, 1 CARES, 1 Commercial Lighting Complete and 1 Energy Star Heat Pump.

SOLAR One person inquired about solar this month, but no new sales on the solar farm panels.

NET METERING We have 5 Net Metering Accounts and one inquiry this month.

BOOK SPONSORSHIP We have been asked to help sponsor the book, "The Little People's Guide to the Big World". The book is about bullying, drugs, exercise, guns, being different and many other issues facing children today. The books would be given to first graders in 3 Carter County schools (Carter City, Olive Hill and Tygart Creek; 160 books), all 3 of Elliott County elementary schools; 150 books, 1 Greenup County school (Argillite; 57 books), 1 Lawrence County school (Blaine; 30 books), and Carter Christian Academy. The contract is for two years (2018-2019) and the cost is \$800 a year. We can cost share (25%-50%) with East Kentucky Power.  
  
Motion was made to sponsor the book program by Director Trent, seconded by Director Bentley and unanimously agreed upon.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Rice, seconded by Director Bentley and unanimously agreed to approve eighty-five (85) new memberships and retirement of eighty-three (83) existing memberships for November 2017.

BAD DEBT WRITE-OFFS Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to charge off \$3,514 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the President's business expense of \$523.21, Director's business expenses of \$23,191.31 and Attorney's business expense of \$.00.

PRESIDENT'S REPORT President Fraley reported on the following:  
  
This fall she has:  
Completed wage and salary review.  
Finalized union contract.  
Finalized 2018 budget.  
Filed for our metering contract.  
  
She expects to:  
File for a possible rate increase in 2018, if necessary.  
Start planning for a new four year work plan.  
Bid a construction work plan based on the next work plan.  
Make a decision if a new Right-of-Way bid if necessary.

PRESIDENT'S REPORT  
(CONTINUED)

Motion was made by Director Martin, seconded by Director Whitt to give 1.5% increase directly to the right-of-way men. No raise was asked for by the company. Motion carried unanimously.

Motion was made to table the discussion on bidding a new Right of Way Contract until more information was available by Director Martin and seconded by Director Trent. Motion carried.

If no one files for a director seats in Carter, Elliott or Rowan Counties by January 15, 2018, there will not be an election for these seats in 2018.

NRECA GOLD DIRECTOR  
CERTIFICATION

Roger Trent received his Director Gold Certificate and lapel pin from NRECA.

TOUCHSTONE ENERGY

We received a request from Doug Miller who wants to be on the Touchstone Energy Board.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

NATHAN WHITT

Nathan Whitt, a consumer who owns property on Carter Caves Road, his lawyer, Federated Attorney Park Priest and Smith Management Group are meeting tomorrow, December 22, 2017 at Carter Caves State Park Lodge with Kyle Clevenger and Chris Mosier at 9:00 a.m. Park and Smith Management will go on out to the site. Discussion is ongoing about whether a permit is required. It is 1,200' from the road back to the site.

RIGH-OF-WAY EASEMENTS

Last month the Board voted to record Right of Way Easements. We plan to start as soon as possible.

Chairman Dupuy asked for quarterly reports on right-of-way easements recordings.

KAEC DIRECTOR'S REPORT

Director Whitt reported he attended KAEC's Board Meeting this past Tuesday. He reported the following:

Revenue compared to last year was a million dollars less.  
KY Living Magazine Advertising Revenue was slightly up, \$28,000.  
KAEC has to be out of the building by January 8, 2018. Future monthly board meetings will be held at the hotel.

Mr. Whitt reported on Wage and Salary changes.

The Legislative Meeting will be held at Buffalo Trace on January 31 from 6:30 p.m. – 8:30 p.m.

EKPC DIRECTOR'S REPORT

Director Arrington attended the December EKPC Board Meeting and reported the following:

EKPC is considering consolidating with Old Dominican (ODEC) in Marilyn, VA.

EKPC DIRECTOR'S REPORT  
(CONTINUED)

Scott Madden provided a comparison for EKPC's Board. EKP and ODEC are similar in many areas. Execution-wise, the companies are very different. Some of the comparisons are:

	EAST KY POWER	ODEC
Member System	16	11
Number of Employees	696	104
Customer Population	1.1 million	1.4 million
Electric Transmission Miles	2,847	110
Total Megawatts	2,429	2,074
Electric Sales	12.9 mgw	12.7 mgw
Total Assets	\$3.7 billion	\$2.1 billion
Total Reserve	\$8.87 million	\$8.79 million
Equity Ratio	15.5	19.2
State of Operations	KY and PJM	VA, MD, DE and PJM

THANK YOU NOTES

We received a thank you note from the Raceland Rams for GRECC's sponsorship.

DONATIONS

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

Raccoon Baptist Church – clothing pantry	\$100
Rowan Co. Quilters – honor Nat'l Quilters Day Out	\$100
Pathways to Bright Futures Foundation – substance abuse prevention	\$100
The Elliott County Christian Community Center – Christmas food asst.	\$100

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

PATTY PORTER

We received a call from Patty Porter, a single mother who's daughter Bethany will graduate this year from the RN program. She expressed her thanks and how much our scholarship meant to her daughter.

MEETING ATTENDANCE

Directors Trent, Dupuy, Whitt and Bentley along with President Fraley and some of her staff will be attending the NRECA National Meeting and Tech Advantage Expo in Nashville, TN on February 25-28, 2018.

2018 UNION CONTRACT

The signing of a new Union Contract dated January 1, 2018 thru December 31, 2023 was signed by President and CEO Carol Hall Fraley, Chairman Harold Dupuy, Vice Chairman Jim Bentley, Secretary – Treasurer Eddie Martin, Local Union Agent, James 'Jimmy' Gillette, and GRECC Union Officers, President Roger Kitchen, Vice President Herbie Steagall, Secretary Willis Barker.

BOARD MEETING DATE

The next board meeting is schedule on Friday, January 26, 2018.

ADDITIONAL BUSINESS

Directors Bentley, Rice and Trent informed the Board they would seek the Board seats in 2018 and filed necessary paper work stating so.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:04 p.m.

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

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

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







































President and CEO's Expenses

October – November 2017

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
11/27/17	173161	Grayson Area Chamber of Commerce – 2017 Chamber Award Dinner – meal	\$30.00
11/30/17	173190	NRECA – renew subscription – RE Magazine	\$43.00
11/30/17	173190	NRECA – renew Personnel Practice Pointer	\$35.00
12/7/17	173280	Visa Expenses: *10/25 Wage and Salary update mtg. w/NRECA rep – meal *10/30 GRECC Board Meeting – meal *11/17 Shop for KAEC silent auction – meal	\$12.91 \$14.39 \$14.74
		Total Expenses	\$150.04

\* Means Prorated





## DIRECTORS & ATTORNEY EXPENSES

November-17

### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Negotiating Committee Mtg. (11/16); NRECA Director Training & KAEC Annual Mtg. (11/18-21); GRECC Bd. Mtg. (11/29)	\$ 2,171.70
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	-	-
<b>NRECA</b>	- Renew Subscription Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 2,880.40</b>

### JIM BENTLEY

<b>Per Diem</b>	- GRECC Negotiating Committee Mtg. (11/16); GRECC Bd. Mtg. (11/29)	\$ 602.14
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Room Deposit - NRECA Winter School	217.82
	Registration NRECA Winter School	1,525.00
	Lunch GRECC Bd. Mtg. (10/30)	14.39
<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>	-	<b>\$ 3,068.64</b>

### HAROLD DUPUY

<b>Per Diem</b>	- GRECC Planning & Review Committee Mtg. (11/15); GRECC Negotiating Committee Mtg. (11/16); KAEC Annual Mtg. (11/19-21); GRECC Bd. Mtg. (11/29)	\$ 2,112.98
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Room Deposit - NRECA Winter School	217.82
	Registration NRECA Winter School	1,218.00
<b>NRECA</b>	- Renew Subscription Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 4,257.71</b>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Planning & Review Committee Mtg. (11/15); GRECC Bd. Mtg. (11/29)	\$ 617.12
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (10/30)	14.39
<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>	-	<b>\$ 1,340.80</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Planning & Review Committee Mtg. (11/15); GRECC Bd. Mtg. (11/29)	\$ 642.80
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (10/30)	14.39
<b>NRECA</b>	- Renew Subscription Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,365.89</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Planning & Review Committee Mtg. (11/15); KAEC Annual Mtg. (11/19-21); GRECC Bd. Mtg. (11/29)	\$ 1,735.40
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Room Deposit NRECA Winter School	217.82
	Registration NRECA Winter School	1,218.00
	Lunch GRECC Bd. Mtg. (10/30)	14.39
<b>NRECA</b>	- Renew Subscription Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 3,894.31</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Negotiating Committee Mtg. (11/16); KAEC Annual Mtg. (11/19-21); GRECC Bd. Mtg. (11/29)	\$ 1,326.23
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
<b>VISA</b>	- Room Deposit NRECA Winter School	217.82
	Registration NRECA Winter School	1,218.00
<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>\$ 3,471.34</u>

**JEFF SCOTT**

<b>Per Diem</b>	- KAEC Attorney Mtg. (11/18-20)	\$ 600.00
<b>MISC</b>	- Wal-Mart Gift Card - Christmas	25.00
	Reimburse Meals (KAEC Attorney Mtg.)	42.35
<b>VISA</b>	- Reimburse Mileage (KAEC Attorney Mtg.)	192.60
<b>NRECA</b>	- Renew Subscription Rural Electric Magazine	45.58
	Renew Subscription Personnel Practice Pointer	206.70
<b>TOTAL</b>	-	<u>\$ 1,112.23</u>



























January 26, 2018

At A Glance....

November

<u>kWh Sales (11/01 - 11/30)</u>		<u>Margins</u>	
Month	-6.91%	Month	\$ (68,841.18)
YTD	-8.80%	YTD	\$ (2,470,884.36)
<u>kWh Purchases (11/01 - 11/30)</u>		<u>OTIER</u>	
Month	28.00%	Month	0.18
YTD	-7.90%	YTD	(1.76)
<u>Line Loss</u>			
Month	3.80%		
YTD	9.26%		

Fuel Adjustment (0.002959)

ESC 11.94%

Degree Days 530

Heating Degree Days 527

Cooling Degree Days 3

**Notes:**

- Capital Credits
- CoBank
-



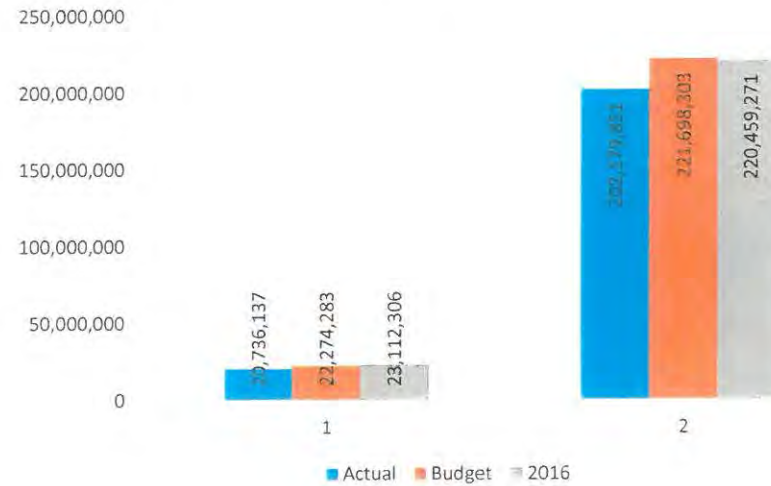


**Sales**

**November**

	2017	2016	2016-2014
Actual	20,736,137	23,112,306	22,330,003
Budget	22,274,283		
Difference	(1,538,146)	(2,376,169)	(1,593,866)
	-6.91%	-10.28%	-7.14%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	202,179,851	220,459,271	223,339,641
Budget	221,698,303		
Difference	(19,518,452)	(18,279,420)	(21,159,790)
% Difference	-8.80%	-8.29%	-9.47%

**Sales**

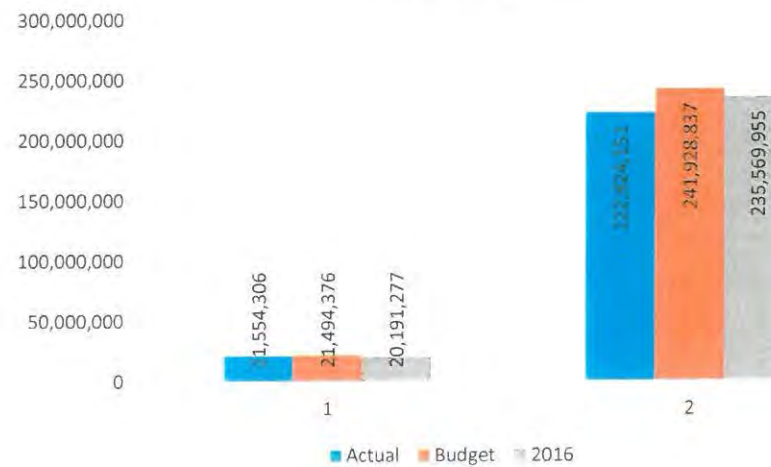


**Purchases**

**November**

	2017	2016	2016-2014
Actual	21,554,306	20,191,277	21,356,390
Budget	21,494,376		
Difference	59,930	1,363,029	197,916
	0.28%	6.75%	0.93%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	222,824,151	235,569,955	240,392,500
Budget	241,928,837		
Difference	(19,104,686)	(12,745,804)	(17,568,349)
% Difference	-7.90%	-5.41%	-7.31%

**Purchases**





## REVENUE SUMMARY NOVEMBER 2017

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 367,704.94	\$ (31,143.40)	\$ 5,603.89	\$ 13.75	\$ 2,687.52	\$ 32,809.13	\$ 377,675.83	\$ 9,680.70	\$ 6.94	\$ 8,082.12	2,560	3,133,533
\$ 317,708.35	\$ (26,630.60)	\$ 10,666.80	\$ 24.75	\$ 1,168.27	\$ 29,131.87	\$ 332,069.44	\$ 6,716.61	\$ -	\$ 6,932.03	2,954	2,640,301
\$ 75,845.07	\$ (6,244.01)	\$ 1,535.09	\$ 5.50	\$ 603.80	\$ 6,820.16	\$ 78,565.61	\$ 1,781.99	\$ -	\$ 1,679.73	674	628,831
\$ 889,880.56	\$ (77,239.30)	\$ 18,021.59	\$ 74.25	\$ 2,683.28	\$ 80,202.41	\$ 913,622.79	\$ 17,727.72	\$ 32.80	\$ 19,575.86	5,809	7,652,304
\$ -	\$ (88.08)	\$ 1,266.50	\$ 2.75	\$ -	\$ 114.18	\$ 1,295.35	\$ 13.26	\$ 1.90	\$ 31.57	100	8,679
<b>\$ 1,651,138.92</b>	<b>\$ (141,345.39)</b>	<b>\$ 37,093.87</b>	<b>\$ 121.00</b>	<b>\$ 7,142.87</b>	<b>\$ 149,077.75</b>	<b>\$ 1,703,229.02</b>	<b>\$ 35,920.28</b>	<b>\$ 41.64</b>	<b>\$ 36,301.31</b>	<b>12,097</b>	<b>14,063,648</b>
\$ 21,457.71	\$ (1,105.16)	\$ 491.87	\$ -	\$ 6.33	\$ 2,020.21	\$ 22,870.96	\$ 448.98	\$ -	\$ 317.64	359	108,742
\$ 21,408.44	\$ (1,083.11)	\$ 294.31	\$ -	\$ 64.98	\$ 1,991.44	\$ 22,676.06	\$ 549.03	\$ 14.28	\$ 270.51	361	107,491
\$ 19,047.08	\$ (763.91)	\$ 702.49	\$ -	\$ 20.33	\$ 1,840.64	\$ 20,846.63	\$ 462.54	\$ 6.75	\$ 339.30	448	75,051
\$ 39,250.51	\$ (1,696.07)	\$ 1,052.68	\$ -	\$ 48.07	\$ 3,742.51	\$ 42,397.70	\$ 744.21	\$ 185.23	\$ 961.28	846	166,031
\$ 7,253.46	\$ (332.77)	\$ 208.02	\$ -	\$ 20.66	\$ 690.00	\$ 7,839.37	\$ 105.04	\$ 36.76	\$ 131.57	146	32,831
\$ 1,281.68	\$ (63.51)	\$ 39.09	\$ -	\$ -	\$ 121.98	\$ 1,379.24	\$ 6.22	\$ -	\$ 37.64	24	6,230
\$ 994.72	\$ (30.16)	\$ 23.30	\$ -	\$ 10.33	\$ 94.20	\$ 1,092.39	\$ 15.76	\$ -	\$ 27.52	29	3,292
<b>\$ 110,693.60</b>	<b>\$ (5,074.69)</b>	<b>\$ 2,811.76</b>	<b>\$ -</b>	<b>\$ 170.70</b>	<b>\$ 10,500.98</b>	<b>\$ 119,102.35</b>	<b>\$ 2,331.78</b>	<b>\$ 243.02</b>	<b>\$ 2,085.46</b>	<b>2,213</b>	<b>499,668</b>
\$ 148,806.67	\$ (12,254.74)	\$ 3,417.21	\$ 5.50	\$ -	\$ 13,576.22	\$ 153,550.86	\$ 1,698.56	\$ 6,706.63	\$ 3,838.99	961	1,202,223
\$ -	\$ (20.61)	\$ 293.05	\$ -	\$ -	\$ 26.42	\$ 298.86	\$ 9.41	\$ 15.20	\$ 8.64	9	2,026
\$ 17,705.56	\$ (1,424.91)	\$ 1,570.16	\$ -	\$ -	\$ 1,731.47	\$ 19,582.28	\$ 135.65	\$ 398.94	\$ 438.60	156	139,811
<b>\$ 166,512.23</b>	<b>\$ (13,700.26)</b>	<b>\$ 5,280.42</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 15,334.11</b>	<b>\$ 173,432.00</b>	<b>\$ 1,843.62</b>	<b>\$ 7,120.77</b>	<b>\$ 4,286.23</b>	<b>1,126</b>	<b>1,344,060</b>
\$ 186,341.61	\$ (19,144.62)	\$ 988.28	\$ -	\$ -	\$ 16,313.93	\$ 184,499.20	\$ (712.48)	\$ 6,919.40	\$ 4,600.29	67	1,878,033
\$ 67.87	\$ (2.04)	\$ -	\$ -	\$ -	\$ 6.39	\$ 72.22	\$ -	\$ 4.33	\$ -	1	200
\$ 37,866.31	\$ (4,003.39)	\$ 476.00	\$ -	\$ -	\$ 3,330.88	\$ 37,669.80	\$ -	\$ -	\$ 1,130.09	8	392,721
<b>\$ 224,275.79</b>	<b>\$ (23,150.05)</b>	<b>\$ 1,464.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,651.20</b>	<b>\$ 222,241.22</b>	<b>\$ (712.48)</b>	<b>\$ 6,923.73</b>	<b>\$ 5,730.38</b>	<b>76</b>	<b>2,270,954</b>
\$ 156,024.64	\$ (26,033.91)	\$ 28.94	\$ -	\$ -	\$ 12,611.90	\$ 142,631.57	\$ -	\$ 5,665.19	\$ 4,278.95	2	2,553,847
<b>\$ 156,024.64</b>	<b>\$ (26,033.91)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,611.90</b>	<b>\$ 142,631.57</b>	<b>\$ -</b>	<b>\$ 5,665.19</b>	<b>\$ 4,278.95</b>	<b>2</b>	<b>2,553,847</b>
\$ -	\$ (40.37)	\$ 599.69	\$ -	\$ -	\$ 54.25	\$ 613.57	\$ -	\$ -	\$ 18.41	1	3,960
<b>\$ -</b>	<b>\$ (40.37)</b>	<b>\$ 599.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54.25</b>	<b>\$ 613.57</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18.41</b>	<b>1</b>	<b>3,960</b>
<b>\$ 2,308,645.18</b>	<b>\$ (209,344.67)</b>	<b>\$ 47,278.96</b>	<b>\$ 126.50</b>	<b>\$ 7,313.57</b>	<b>\$ 207,230.19</b>	<b>\$ 2,361,249.73</b>	<b>\$ 39,383.20</b>	<b>\$ 19,994.35</b>	<b>\$ 52,700.74</b>	<b>15,515</b>	<b>20,736,137</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 72,695.09</b>		
<b>TOTAL REVENUE</b>											
							<b>\$ 2,473,328.02</b>				



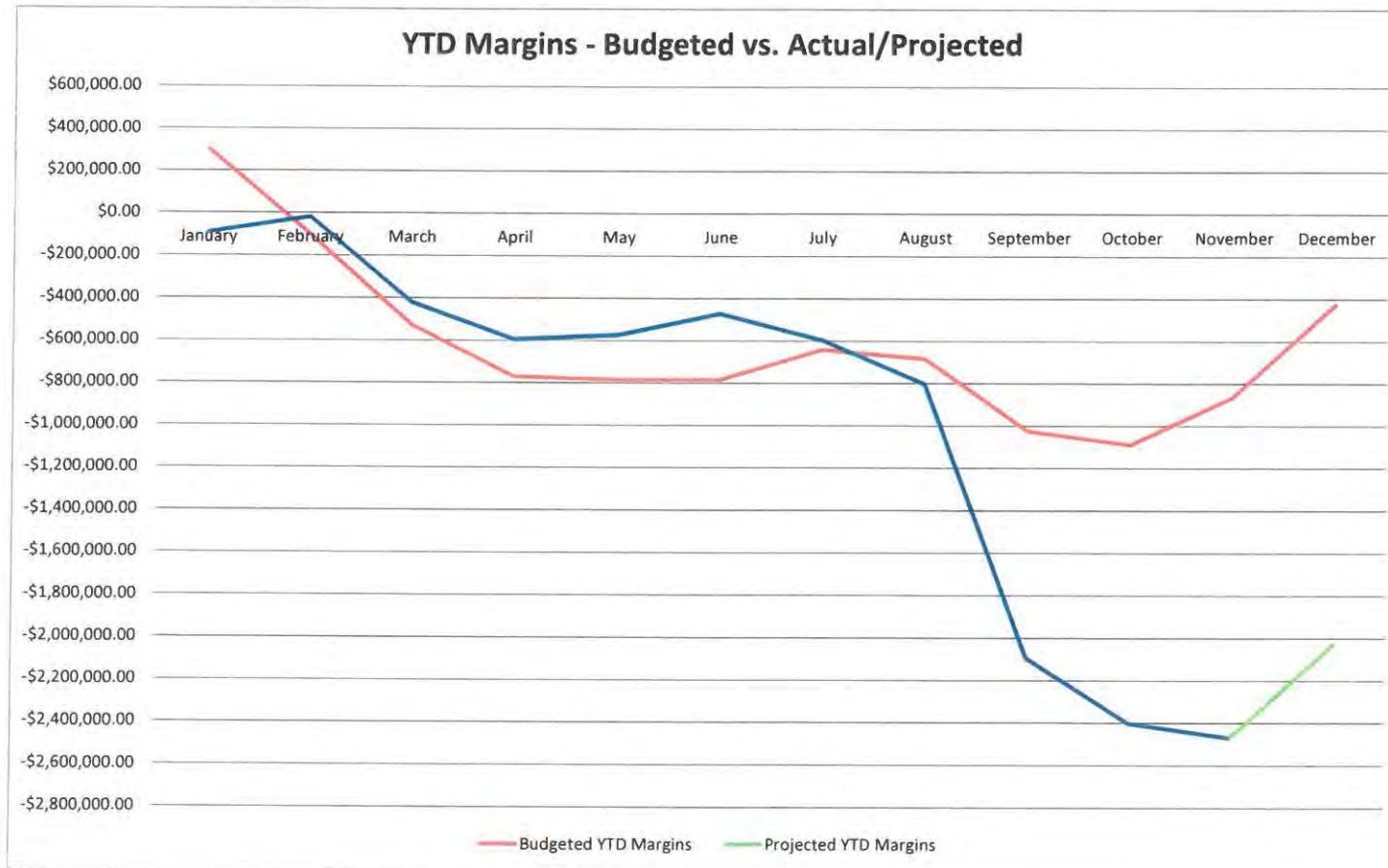


Monthly Operating Revenue & Expenses

	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017
Revenue	(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)	(2,447,561)
Purchased Power	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	1,484,948
<b>Gross Margins</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>	<b>(962,613)</b>
Operations	107,439	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779
Maintenance	216,900	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089	246,528	253,612	270,469
Customer Service	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263
Informational Advertising	18,288	20,450	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411
Demonstration Advertising	1,565	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729
Admin & General	196,718	173,417	156,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454
Depreciation	283,297	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465
Regulatory	3,342	3,345	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009
Interest - LTD	74,859	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895
Interest - Deposits	378	369	666	665	663	665	677	671	668	670	671	668	664
Miscellaneous Expense	5,953	3,092	6,114	2,889	1,099	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962
Interest Income	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)
Non-Electric Revenue	(6,012)	(5,435)	(2,448)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)
Capital Credits	-	-	-	-	(53,470)	-	-	(524)	-	-	(33,801)	-	-
<b>Margins</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>	<b>68,841</b>
* ( )s = positive margins													
Operating Expenses	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	1,034,099
Monthly OTIER	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18
Revenue	(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)	(27,304,343)
Purchased Power	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	17,085,873
<b>Gross Margins</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>	<b>(10,218,470)</b>
Operations	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	1,312,520
Maintenance	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	3,386,407	3,439,976
Customer Service	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	1,012,461
Informational Advertising	255,267	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840
Demonstration Advertising	21,801	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026
Admin & General	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	1,978,857
Depreciation	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	3,464,381
Regulatory	40,774	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743	42,410
Interest - LTD	907,891	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790
Interest - Deposits	4,350	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717
Miscellaneous Expense	46,633	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456
Interest Income	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)
Non-Electric Revenue	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)
Capital Credits	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(92,679)	(87,795)	(87,795)
<b>Margins</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>	<b>2,094,417</b>
Operating Expense	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	12,530,434
Rolling 12 Month OTIER	2.21	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)



	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	-\$68,841.18	\$223,335.28	-\$292,176.46	-\$2,470,884.36	-\$869,202.20	-\$1,601,682.16	-\$2,470,884.36
December	\$0.00	\$439,275.94			-\$429,926.26		-\$2,031,608.42







## Margins/Tier

### November

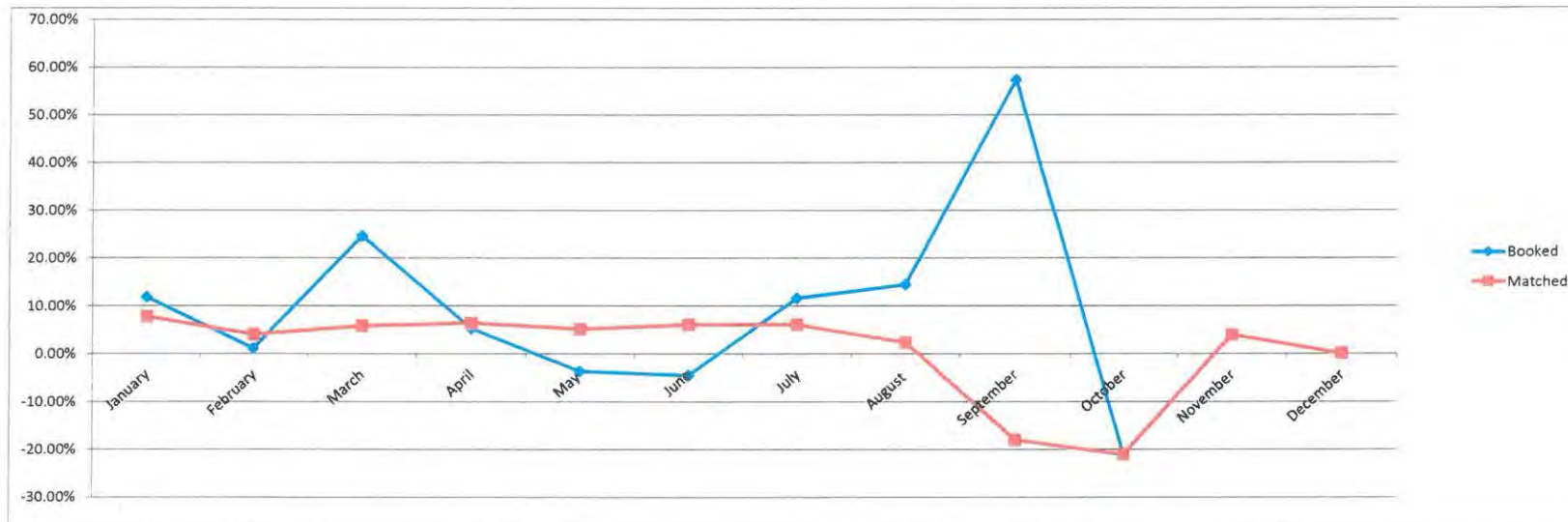
	2017	2016	2016-2014
Revenue	(2,447,561)	(2,845,855)	(2,803,246)
Purchase Power	1,484,948	1,344,264	1,509,717
<i>Gross Margins</i>	(962,613)	(1,501,591)	(1,293,529)
Operating Expenses	1,034,099	1,009,715	1,004,939
Margins	68,841	(500,337)	(288,749)
OTIER	0.18	7.68	4.83

### Year to Date

	2017	2016	2016-2014
Revenue	(24,194,872)	(24,555,817)	(28,308,150)
Purchase Power	15,244,961	14,732,202	17,024,372
<i>Gross Margins</i>	(8,949,911)	(9,823,615)	(11,283,778)
Operating Expenses	11,630,568	10,586,212	11,521,667
Margins	2,470,884	496,429	20,162
OTIER	-1.76	0.40	0.98



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	7,502,112.00	22,154,070.00	20,736,137.00		202,179,851.00
<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	17,591,772.00	18,280,897.00	21,554,306.00		222,824,151.00
<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	6,350,172.53	18,280,898.00	21,554,307.46		206,680,064.94
<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	10,089,660.00	-3,873,173.00	818,169.00	0.00	20,644,300.00
<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	-1,151,939.47	-3,873,172.00	818,170.46	0.00	4,500,213.94
<b>% Line Loss</b>													
<b>Booked</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	3.80%	#DIV/0!	9.26%
<b>Matched</b>	7.67%	3.97%	5.70%	6.29%	5.01%	5.97%	5.97%	2.23%	-18.14%	-21.19%	3.80%	#DIV/0!	2.02%





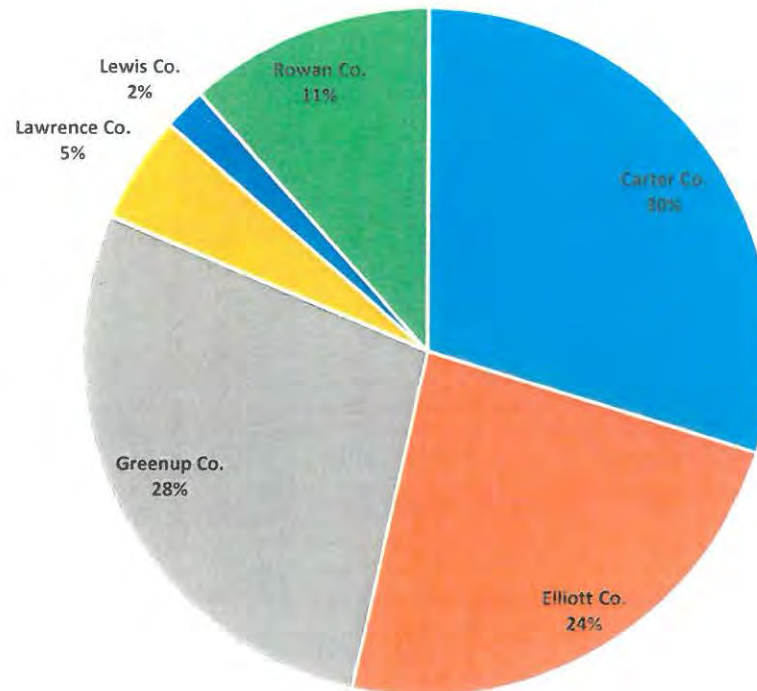
2017				2016							2016			
November Bill				November Corresponding Dates							November Bill			
	Average	HDD	CDD	HDD	CDD	Average		HDD	CDD	Average	HDD	CDD		
1-Nov	51	14	0	0	3	68	1-Nov	21-Nov	37	28	0			
2-Nov	65	0	0	0	4	69	2-Nov	22-Nov	35	30	0			
3-Nov	62	3	0	0	0	65	3-Nov	23-Nov	39	26	0			
4-Nov	60	5	0	12	0	53	4-Nov	24-Nov	52	13	0			
5-Nov	68	0	3	15	0	50	5-Nov	25-Nov	46	19	0			
6-Nov	62	3	0	14	0	51	6-Nov	26-Nov	41	24	0			
7-Nov	47	18	0	8	0	57	7-Nov	27-Nov	41	24	0			
8-Nov	44	21	0	10	0	55	8-Nov	28-Nov	49	16	0			
9-Nov	49	16	0	18	0	47	9-Nov	29-Nov	60	5	0			
10-Nov	37	28	0	17	0	48	10-Nov	30-Nov	54	11	0			
11-Nov	35	30	0	12	0	53	11-Nov	1-Dec	43	22	0			
12-Nov	46	19	0	22	0	43	12-Nov	2-Dec	35	30	0			
13-Nov	46	19	0	21	0	44	13-Nov	3-Dec	39	26	0			
14-Nov	42	23	0	21	0	44	14-Nov	4-Dec	41	24	0			
15-Nov	41	24	0	17	0	48	15-Nov	5-Dec	46	19	0			
16-Nov	44	21	0	12	0	53	16-Nov	6-Dec	47	18	0			
17-Nov	42	23	0	10	0	55	17-Nov	7-Dec	42	23	0			
18-Nov	55	10	0	4	0	61	18-Nov	8-Dec	31	34	0			
19-Nov	39	26	0	16	0	49	19-Nov	9-Dec	25	40	0			
20-Nov	38	27	0	27	0	38	20-Nov	10-Dec	28	37	0			
21-Nov	46	19	0	28	0	37	21-Nov	11-Dec	39	26	0			
22-Nov	39	26	0	30	0	35	22-Nov	12-Dec	43	22	0			
23-Nov	34	31	0	26	0	39	23-Nov	13-Dec	38	27	0			
24-Nov	42	23	0	13	0	52	24-Nov	14-Dec	33	32	0			
25-Nov	54	11	0	19	0	46	25-Nov	15-Dec	20	45	0			
26-Nov	41	24	0	24	0	41	26-Nov	16-Dec	22	43	0			
27-Nov	44	21	0	24	0	41	27-Nov	17-Dec	51	14	0			
28-Nov	49	16	0	16	0	49	28-Nov	18-Dec	51	14	0			
29-Nov	52	13	0	5	0	60	29-Nov	19-Dec	30	35	0			
30-Nov	52	13	0	11	0	54	30-Nov	20-Dec	27	38	0			
	47.5	527	3	452	7	50.2		39.5	765	0				
		530		459					765					



# Bills by County

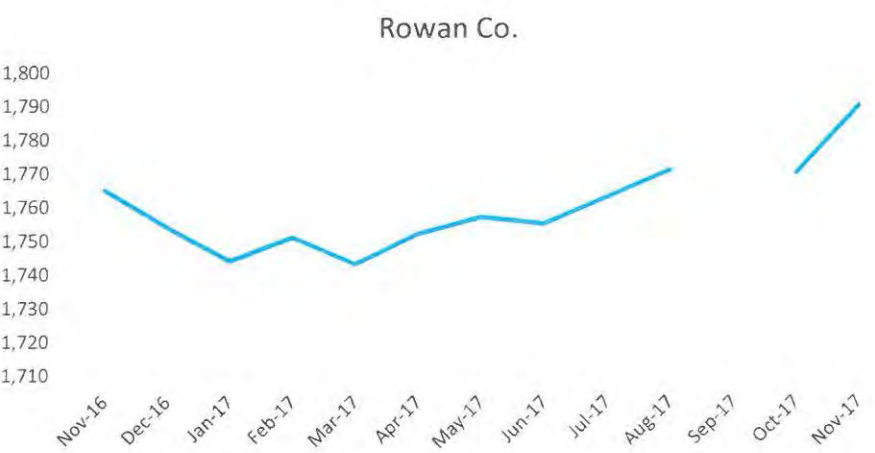
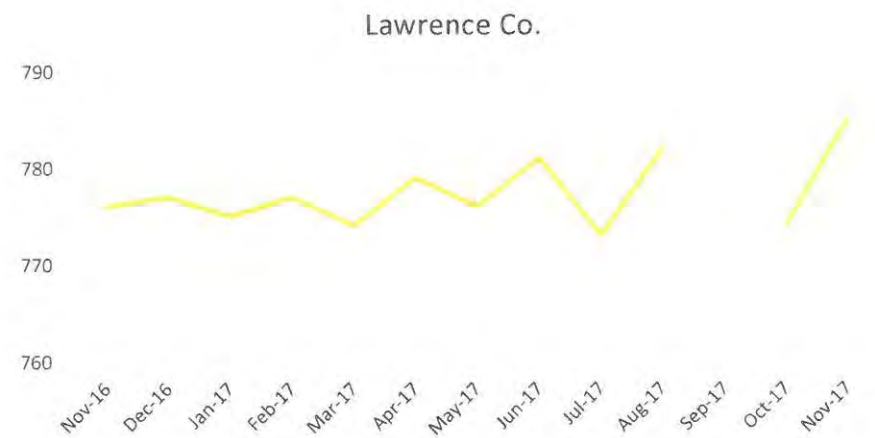
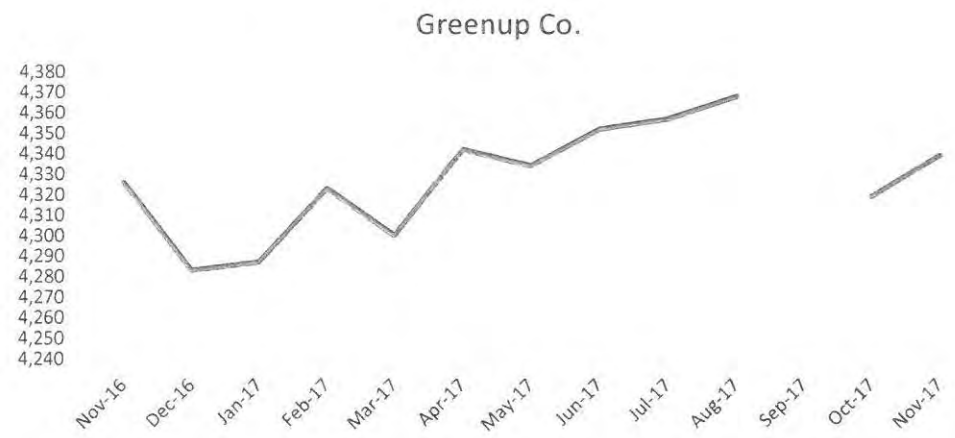
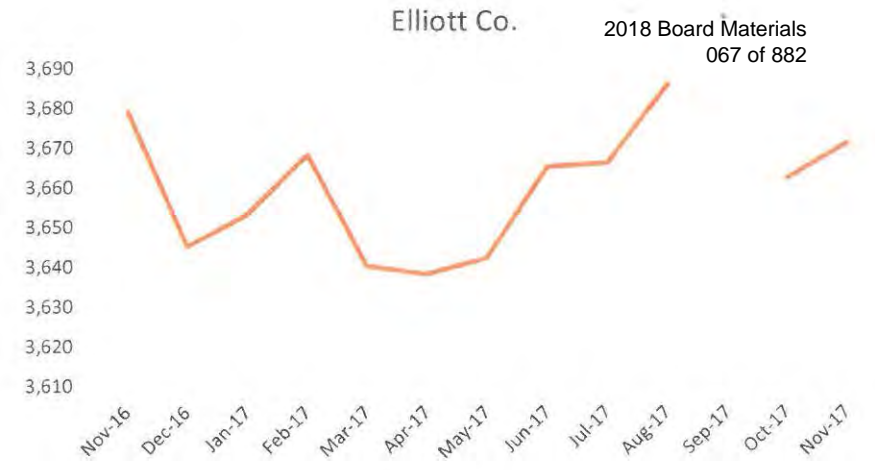
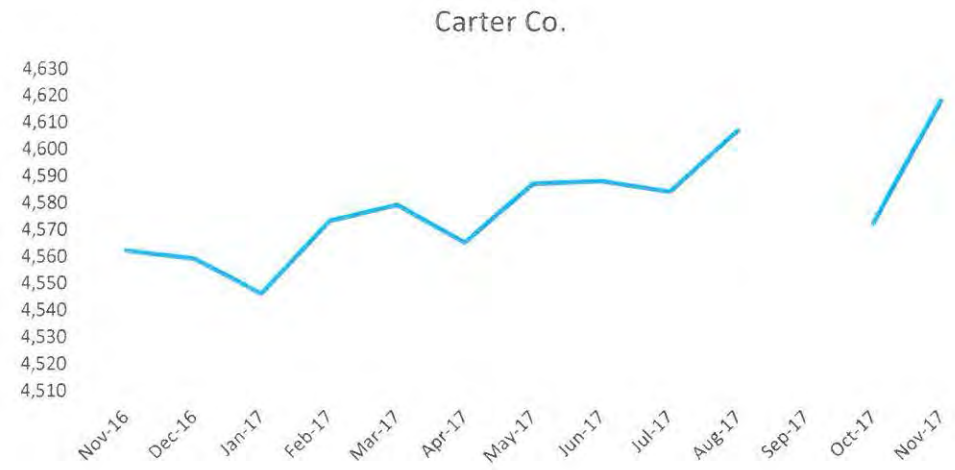
	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16
Carter Co.	4,618	4,572		4,607	4,584	4,588	4,587	4,565	4,579	4,573	4,546	4,559	4,562
Elliott Co.	3,671	3,662		3,686	3,666	3,665	3,642	3,638	3,640	3,668	3,653	3,645	3,679
Greenup Co.	4,339	4,319		4,368	4,357	4,352	4,334	4,342	4,300	4,323	4,287	4,283	4,326
Lawrence Co.	785	774		782	773	781	776	779	774	777	775	777	776
Lewis Co.	312	316		313	315	311	311	313	310	310	312	311	312
Rowan Co.	1,790	1,770		1,771	1,763	1,755	1,757	1,752	1,743	1,751	1,744	1,754	1,765
	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346	15,402	15,317	15,329	15,420

# of Bills  
November 2017











NOVEMBER 2017							
219 ANALYSIS							
W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER	COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		23	162.18	(162.18)		
100	NEW LINE EXTENSIONS		24	67,791.96	67,791.96	2,824.67	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2	3,415.25	3,415.25	1,707.63	1,920.25
603	SECTIONALIZERS		1	1,625.71	1,625.71		
604	REGULATORS		1	28,695.86	28,695.86		
606	POLES		14	55,688.42	55,688.42	3,977.74	2,410.75
701	SECURITY LIGHTS		46	35,221.66	35,221.66	765.69	423.50
1600	MINOR PROJECTS		1	2,090.19	2,090.19		
	TOTAL		110	194,691.23	194,366.87		
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	46	59,334.26	59,334.26	1,289.88	1,120.00
	METERS	370.00	101	20,883.29	20,883.29	206.77	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		147	80,217.55	80,217.55		
	MATERIAL			28,596.00			
	MATERIAL OH			43,583.37			
	LABOR			20,228.68			
	LABOR OH			58,165.23			



# 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 15, 2018

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, February 23, 2018 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

February 15, 2018

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-third day of February 2018 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 February 23, 2018, 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 Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for December 2017 – Bradley Cherry, Manager of Finance & Accounting
6. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:
 

July 2017	Work Order No. 1272	\$193,148.17
	Work Order No. 1273	\$5,554.18
August 2017	Work Order No. 1274	\$236,594.45
	Work Order No. 1275	\$8,763.56
September 2017	Work Order No. 1276	\$242,464.53
	Work Order No. 1277	\$8,939.93
	Total	\$695,464.82
7. Manager of Marketing & Member Services Report – Kim Bush
8. Operations & Safety Report – Kyle Clevenger, Manager of Operations
9. Approval of Eighty-Five (85) New Memberships and Retirement of Eighty-Three (83) Existing Memberships for January 2018
10. Consider Approval of Accounts to be Charged Off to Reserve \$1,537.88
11. Consider Approval of President’s Business Expense in the Amount of \$593.86, Director’s Business Expense in the Amount of \$21,657.56 and Attorney’s Business Expense in the Amount of \$517.25
12. President’s Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
  - A. Consideration of Legal Counsel’s Contract Renewal and Compensation
14. KAEC Director’s Report – Jimmy Whitt
15. EKPC Director’s Report – Ken Arrington
16. Consider Community Service and/or Donations

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA  
PAGE 2

17. Attendance at Meetings – Directors and Employees
18. Report of Any Meetings
19. Confirm Date for the March Board Meeting, March 23, 2018  
Confirm Date for the April Board Meeting, April 27, 2018
20. Additional Business
21. Adjourn

On January 26, 2018 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 Whitt gave the invocation.

Chairman Dupuy stated we came through the cold weather good with a minimum of outages. President Fraley said we had one outage on Bays Ridge when a dead tree fell. One three phase pole and a single phase pole were broken a few days before board meeting due to off right of way trees falling.

APPROVAL OF MINUTES

Motion was made by Director Martin, seconded by Director Trent 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:

AMI/PSC

GRECC could have made a request for a hearing or a decision on our AMI project to the PSC on January 3<sup>rd</sup>. Legal Counsel Scott sent a letter in regard to the project around January 10, 2018.

DAVEY'S INC

Davey Inc. personnel have finished all work in the field for the mapping project. We continue to get the data ready to go on line by substation. Newfoundland is in the process of being finalized and Airport Road Substation will be next. Brian Poling and Robert Brown showed a power point presentation utilizing data already entered and verified.

GIS / SUBSTATIONS

GIS findings were (does not include Sandy Hook or Mazie Substations):

- 11,209 active consumers
- 25,926 poles with 9 poles from the 1940's, 251 poles from the 1950's and 299 poles from the 1960's
- Poles by County:
  - Carter 3,202
  - Elliott 1,813
  - Greenup 2,476
  - Lawrence 3
  - Lewis 157
  - Rowan 828
- 1,366.51 miles primary lines
  - 99.7% overhead lines
  - 3% underground lines
- 255.28 miles secondary lines
  - 87.6% overhead lines
  - 12.4% underground lines
- 3,629 security lights
  - 11.2% LED
- Graph of miles of primary line (Newfoundland, Sandy Hook or Mazie Substations)
- Graph of consumers per substation (Newfoundland, Sandy Hook or Mazie Substations)

GIS / SUBSTATIONS  
(CONTINUED)

- Example of unknown birth year was shown. We have several poles like that.
- Poles by decade 1940's – 2010's and unknown

METER READING PROGRAM

Data on the pole includes everything from the ground up. Once the information is analyzed, we will be coming to the Board to determine the next step. At this point, President Fraley announced that the meter reading program will be suspended following the completion of the Argentum Substation in February.

POLE TESTING

Due to the high number of poles without birthdates on them, staff will begin to look at several pole testing options. We are meeting with Mike Norman in February to ask for his recommendations. Osmose came to discuss their pole testing program and there are several other vendors available. We want to see how this will fit into the next work plan and what can be paid for out of work plan money. We have decided to start using pole top covers that cost \$15 each and extends the life of the pole by several years.

CARRY MAP

"Carry Map" has been installed on all linemen's phones and servicemen's iPads. Search can be made using this technology by map number, name, address, meter number, structure number or member's telephone number.

The first year of a pole testing program would be spent spot checking poles in clusters of 50 to 100 poles, up to a total of 1,000. Areas will be randomly selected. We hope to start the spot checking process this year

SUBSTATIONS / METER  
READING

President Fraley reported that, after reading Argentum next week we will have read over 15,368 meters. We have reclassified over 289 accounts, created and corrected 823 service orders, and construction has completed 668 retirements.

We discovered safety issues such as low clearances, lines on the ground or not in conduit, not properly buried, member issues such as satellites dishes, bird houses, dog lines, flag poles, night lights, clothes lines, to name a few, and hazardous conditions. Idle services were removed, 686 retirements were completed, oil wells were identified and services belonging to oil companies were required to be corrected, and we mapped and tagged transformers.

MANAGER OF FINANCE  
AND ACCOUNTING

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

FINANCIAL & STATISTICAL  
REPORT FOR NOVEMBER  
2017

Kilowatt hour sales for the month of November (11/1-30) were 6.91% less than budgeted. Purchases for the time period of (11/1-30) were .28% over budget. Line loss for the last twelve months was 9.26% and the month line loss of 3.8 was very, very good for this year. Year to date margins were (\$2,470,884) compared to the projected budgeted amount of (\$869,202).

Purchases and sales are down.

FUEL ADJUSTMENT

The fuel adjustment for the month was (0.002959).

T.I.E.R

The monthly T.I.E.R. was .179 and the rolling twelve month O.T.I.E.R was (1.19). The actual T.I.E.R. is .764 on a normal billing cycle.

ESC	The Environmental Surcharge was 11.94%.
DEGREE DAYS	<p>There were 527 heating degree days and 3 cooling degree days. We had 71 more degree days this year than last year.</p> <p>The projected margins of two million dollars was less than expected due to 1.8 million dollars loss of revenue in the billing change and how we recorded it.</p>
COST OF SERVICE STUDY	<p>In changing the billing cycle, we lost 20 days, approximately 1.8 million dollars. If we normalized data and added back in the 20 days lost our actual T.I.E.R. would have been .764. We will look at it again with November data. We will need to consider a cost of service study next month. Bradley will talk to Alan Zumstein on how the billing changeover will affect us.</p> <p>The cost of service study will tell us exactly what each classification is paying and how much margin they generate.</p>
OFF SYSTEM SALES AT EKPC	South Kentucky has requested approval for 50 megawatts of off system power purchases. This will, in effect, take the balance of the off system purchases allowed by EKPC. Salt River has also filed for off system purchases. These would probably exceed the allowable amount available from EKPC. Other Coops would have to wait for EKPC to grow and increase the allowance or wait until a contract for off system power purchases was up. Most contracts have been for at least 20 years. A lengthy discussion regarding this issue was held.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR NOVEMBER 2017	Motion was made by Director Whitt, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for November 2017 as presented, for informational purposes only.
FEDERATED INSURANCE	Tony Hermesch with Federated Insurance talked to President Fraley about insurance premiums. There is a \$48 reduction for the year on our liability insurance. Coverage remains the same for directors, umbrella, all risk, and other coverage. Insured amounts are: all risk coverage under \$6 million; general liability under \$2 million; directors \$7 million; and umbrella \$4 million.
LEGAL COUNSELS JEFFREY SCOTT AND PARK PRIEST	<p>Legal Counsel Scott has been talking to Park Priest, Federated Insurance's Legal Counsel regarding the Nathan Whitt claim. He believes he should bill for the time he spends on this case, because he does not represent Federated. The Board left that decision up to him.</p> <p>Motion was made to accept Federated Insurance's proposal as submitted by Director Bentley, seconded by Director Rice and unanimously agreed upon.</p>
COBANK	<p>CoBank ask for re-statement of our loan and revolving credit and approval to keep rates as they are and keep the \$2 million credit limit the same.</p> <p>Following thorough discussion, motion was made by Director Whitt to adopt the CoBank re-statement and loan as presented, seconded by Director Trent and unanimously agreed upon.</p>
DIRECTOR'S ELECTIONS	We will not have GRECC director's elections for 2018 or 2019.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services, reported on the following:

DIRECTORS ELECTION

Approximately \$1,000 to be paid for business reply mail. We keep this so we can use the same one from year to year.

ANNUAL MEETING

The 2017 annual meeting budget was \$56,000. This year the budget is \$48,000. A breakdown of the 2018 annual meeting budget is:

<b>Director Election Expense</b>	<b>2018 Budget</b>
Permit & A/C fees	\$1,000.00
<b>Subtotal</b>	<b>\$1,000.00</b>
<b>Annual Meeting Expense</b>	<b>2018 Budget</b>
Shirts	\$1,000.00
Rentals	\$275.00
Food	\$4,000.00
Door Prizes	\$2,500.00*
Bucket/Bulbs	\$26,000.00
Scholarship Awards/Gifts	\$12,000.00
Children's Activities	\$100.00
Miscellaneous	\$1,100.00
<b>Subtotal</b>	<b>\$46,975.00</b>
<b>2018 BUDGET TOTAL</b>	<b>\$47,975.00</b>

\*Billing provider, SEDC, donated \$250.  
Tentative date for the GRECC Annual Meeting is Thursday, May 10, 2018.

LIHEAP

The 2017/2018 LIHEAP payments were:

\$178,492.26 November 2017 – January 2018 compared to \$192,136.92 the previous year. We received eight (8) Winter Hardship Reconnects and four (4) 30-day extensions through LIHEAP.

PREPAY

We have 679 active prepay accounts with 11 inactive accounts. The average balance on accounts is \$44.69 credit. The average kWh usage is 70 a day and the average payment is \$46.80. Total number of payments in 30 days is 4,298 for a total of \$201,150.90.

Prepay has to be within four days of disconnection to get help from NEKADC in the amount of \$400 (two \$200's) and Gateway in the amounts of \$205 or \$105. You cannot get a winterhardship reconnect on prepay.

DEBT MANAGEMENT

We have 41 active accounts with debt management.  
Total amount in Debt Management - \$9,961.68  
6% of active PrePay accounts have Debt Management  
Under \$100 – 15                      \$100-\$199 – 9                      \$200-\$299 – 8  
\$300-\$399 – 6                      \$400-\$499 – 1                      over \$500 – 2

We may come up with an email payment. We may push for eBills.



ENERGY EFFICIENCY                    The energy efficiency for the month consisted of:

Energy Audits – 12    Heap Pump – 1    HVAC Duct Seal – 1    Button-Up – 1  
Billing Insights – 1

SOLAR                                      Cooperataive Solar inquires – 1    Coopeative Solar sales – 33  
Net Metering Account – 5

Rodney Bruce in Greenup County purchased 50 solar panels.

APPLIANCE REBATES                    Consumers received the following Energy Star Appliace Rebates:

clothes washer – 2    dishwasher – 2    refrigerator – 4    heat pump – 1

ANNOUNCEMENTS                      Scholarship applications are due February 9, 2018  
Frankfort Youth Tour applications are due February 21, 2018  
Frankfort Youth Tour is scheduled for March 27, 2018

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

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

SAFETY REPORT                            The following safety meetings were held during December 2017:

December 6 – Kyle Clevenger, Manager of Operations, turned the meeting over to Robert Thornton for the monthly KAEC safety meeting. The topic was “Working in the Winter”; driving, keeping essential supplies for the vehicle and passenger and how to prepare for white ice and black ice. Steve Calvert with Colonial was also present to discuss insurance policies with employees. Kyle said gloves were to be tested.

December 13 – Carol Ann Fraley, President and CEO, was in charge of the meeting, honoring the Right of Way and Contractor crews with a hot breakfast.

December 18 – Mike Martin, Assistant Manager of Operations, read two articles from Incident Prevention, “A Can of Soup”, detailing how employees approach and perform every task with the safest attitude during their workday knowing their company leadership supports them in using safe work practices; and “Defensive Driving”, employees focusing and reducing distractions, so to keep ourselves and others safe. Kyle requested that everyone watch over each other and most of all watch for slips, trips, and falls.

December 27 – Andrea McCleese, Technical Service Supervisor, read from the Safety Manual, Section 506.1 and 506.2, Hand Tools. Kyle Clevenger went over Jamey Withrow’s safety investigation. The safety committee found no safety violations. He advised him to use battery operated tools to relieve stress on his shoulders to aid in wear and tear prevention. Kyle reminded everyone to watch out for slips, trips and falls.

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 ten (110) new work orders for the month of December 2017 and worked zero (0) hour of overtime. There was 23 services added and 17 retired.

OVERTIME HOURS The Maintenance Department worked three hundred eighteen (318) hours of overtime during the month of December and Engineering worked zero (0) overtime hours. Maintenance worked thirty-two (32) work order overtime hours.

DELINQUENT NOTICES There were one hundred twenty-six (126) delinquents for January. Sixty-four (64) cards were issued to be disconnected and twelve (12) accounts were disconnected by remote meter on January 10<sup>th</sup> for cycle 1. Forty-two (42) cards were issued to be disconnected and eight (8) accounts were disconnected by remote meter on January 18<sup>th</sup> for cycle 2. Field personnel disconnected a total of twenty-three (23) meters and a total of nine (9) meters were reconnected by field personnel and remote.

CONTRACT CREWS There are two (2) Pike crews working in the following areas:  
  
Tony Seagraves – ST RT 173, Rowan County (completed and inspected);  
moved to ST RT 201, Lawrence County  
Bob Marrow – Lost Creek Road, Greenup County (completed and inspected)

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 948 trees, cut 995 trees, cut 51,490 feet of brush/line and sprayed 32 spans of line. The crews are working in the following areas:  
  
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  
  
1 Smith Tree Service circuit crew on ST RT 755, Elliott County

ENGINEERING REPORT The Engineering Department released one hundred thirty-one (131) prints consisting of 105,486 feet of primary line and 1,774 feet of service wire. They currently have two (2) new service to be staked, one (1) to be drawn and nine (9) miscellaneous jobs to be staked or drawn.

VERNON MESSER Director Bentley said Vernon Messer talked to him about moving a line(s) for Messer Clay Mines without charge. Mr. Messer said he has a document stating when he pulls clay out that there would be no charge and he will be needing a line or lines moved. President Fraley said he has talked to Scott Speaks about a flood light, but did not mention a service. He can bring in his document and she will look at it.



BLUEGRASS ENERGY	Bluegrass Energy cannot get any contractors to work. Not enough people wanting to work.
FEDERATED INSURANCE	David Ervin, Safety and Loss Prevention Consultant for Federated Insurance visited Kyle Clevenger in December and did a safety and loss prevention assessment of our operations. The review states that Grayson has established programs for safety and loss prevention and these programs address issues that are of concern to Federated Rural Electric Insurance Exchange.
NO LOSS TIME ACCIDENTS	The year 2017 brought no loss time accidents, so the board policy states that employees will be paid for one day's pay.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve sixty-eight (68) new memberships and retirement of one hundred four (104) existing memberships for January 2018.
BAD DEBT WRITE-OFFS	Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to charge off \$3,338.65 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 Trent and unanimously agreed to approve the President's business expense of \$150.04, Director's business expenses of \$20,279.09 and Attorney's business expense of \$1,112.23.
PRESIDENT'S REPORT	President Fraley reported on the following:
TONY BREWER	Anthony 'Tony' Brewer has achieved first class lineman status.
MAPPING PROGRAM	Mapping is finished on the Newfoundland Substations and they expect to be finished soon with Sandy Hook and Mazie Substations data entry.
WINDSTREAM	Windstream had not been returning calls on their invoice due GRECC. President Fraley told Mr. Lovell she expected the Board to ask our attorney to help plan a systematic removal of their attachments from our poles. Mr. Lovell promised a reply before 4 p.m. that evening. He called at 4:05 p.m. to say the check was in the process of being sent to us.
GRECC FRONT PORCH	The GRECC front porch is becoming a hazardous situation and has to be fixed. Mike Kitchen and others have been contacted for bids.
IRS MILEAGE RATE CHANGE	On December 14, 2017 the IRS issued the new standard mileage rates for the use of a car, van, pickup or panel truck effective January 1, 2018. The rate will go up from 53 cents to 54.5 cents per mile.  Motion was made to accept the IRS new standard mileage rate increase for travel from 53 cents to 54.5 cents per mile by Director Bentley, seconded by Director Trent and unanimously agreed upon.
TOM CRISP	President Fraley told the Board she has an address for Tom Crisp, should they want to pursue that matter.

W A KENDALL The W. A. Kendall men thanked the Board for the one percent wage increase they received.

SOUTH KY CEO Dennis Holt was named the new South Kentucky RECC's CEO.

ANN WOOD Ann Wood Bridges has returned to work at EKPC. EKP hired Ann to work with Barry Mayfield who will be mentoring her for his position when he retires.

LEGAL COUNSEL'S REPORT Legal Counsel Scott reported on the following:  
  
Looked over documents with CoBank. An opinion of counsel was mentioned, but was not needed per Bradley Cherry.  
Talked to Legal Counsel Park Priest about the potential Whitt law suit.  
Legal Counsel's three year contract for employment expired December 31, 2016. He emailed Directors Martin and Dupuy and President and CEO Carol Ann Fraley a copy of the existing contract and the new proposed contract.

KAEC DIRECTOR'S REPORT There wasn't a KAEC Board Meeting this month.  
  
Director Arrington reported a lot of directors from several different coops attended the KAEC – CFC Financial Workshop held at East Marriott in Louisville. There was a lot of discussion concerning strategic issues.

EKPC DIRECTOR'S REPORT Director Arrington reported there was no meeting this month, but EKPC Directors attended the CFC Financial Workshop.

THANK YOU NOTES GRECC received thank you notes from Rowan County Christmas, Lewis County Educational Foundation, Elliott County Christian Community Center, Elliott County Relay for Life, Kentucky Christian University, Grahn School Community Center and Pathways.

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

Rowan County High School – prom night	\$50
and other future high school prom night request	
Greenup Fire Fighters Association	\$100
Greenup County High School Varsity Cheerleaders	\$100
Friends of the Carter County Public Library	\$100
Carter County Wolfpack Baseball 2018	\$150
East Carter High School Archery Team	\$100
Carter City Elementary School –hosting District Governor's Cup	\$200
Elliott County Baseball	<u>\$250</u>
	<b>\$1,050</b>

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

CFC'S DELEGATES FOR 2018 ANNUAL MEETING Director Whitt will serve as the voting delegate to CFC's National Meeting in February and Director Bentley will serve as the alternate delegate.

HOUSE BILL 227 President Fraley reported KAEC and all the Co-ops are backing House Bill 227.

MEETING ATTENDANCE	Those attending upcoming meetings are:  Director Whitt, Legislative Reception & KAEC Open House, January 31, 2018, Frankfort, KY
GRECC BYLAWS	Revisions pertaining to the GRECC Bylaws on Director's elections has been tabled indefinitely.
NO CONFLICT OF INTEREST STATEMENT	The No Conflict of Interest Statements were passed out to all Directors to be signed and witnessed.
BOARD MEETING DATE	The next board meeting will be held on Friday, February 23, 2018.
ADDITIONAL BUSINESS	Other business discussed was:
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.
EXECUTIVE SESSION	Motion was made by Director Rice to go into executive session at 12:25 p.m. and motion was made by Director Martin to come out of executive session 12:45 p.m.
W JEFFREY SCOTT, LEGAL COUNSEL	Motion was made to table Legal Counsel Scott's contract until February 26, 2018's Board Meeting.
ADJOURN	Director Bentley made a motion to adjourn the meeting at 12:46 p.m. Motion carried.

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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 January 26, 2018 GRECC Board Meeting

On January 26, 2018 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

Director Rice asked to go into Executive Session at 12:25 p.m.

The meeting was in regards to Legal Counsel Scott's three year contract that was presented at today's board meeting.

Director Martin called to come out of Executive Session at 12:45 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

---

W. Jeffrey Scott, Legal Counsel





























President and CEO's Expenses

November 19-29 – December 2017

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
1/04/2018	173458	*KAEC - 2017 KAEC Annual & WIRE Meetings 11/19-21, Louisville, KY - meals	\$163.60
1/08/2018	173659	Visa Expenses:  *KAEC – Annual Meeting / WIRE 11/19-21, Louisville KY 11/19-21 hotel room 11/19-21 meals  *11/29/17 GRECC Board Meeting – meal expense	  \$338.92 \$77.41  \$13.93
		Total Expenses	\$593.86

\* Prorated



**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Planning & Review Budget Committee Mtg. (12/18); GRECC Bd. Mtg. (12/21)	\$ 642.80
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,280.92</u>

**ROGER TRENT**

<b>Per Diem</b>	NRECA Winter School (12/1-5); GRECC Planning & Review Budget Committee Mtg. (12/18); GRECC Bd. Mtg. (12/21)	\$ 2,522.26
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Annual Mtg.	417.54
	NRECA Winter School	852.78
	Lunch GRECC Bd. Mtg. (11/29)	13.93
<b>KAEC</b>	- 2017 KAEC Annual Mtg.	284.37
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 4,729.00</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Annual Mtg. (11/21); NRECA Winter School (12/1-4); KAEC Bd. Mtg. (12/18); GRECC Bd. Mtg. (12/21)	\$ 2,675.66
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Annual Mtg.	479.11
	NRECA Winter School	591.25
<b>KAEC</b>	- 2017 KAEC Annual Mtg.	284.37
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 4,669.10</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Annual Mtg.	453.29
<b>KAEC</b>	- 2017 KAEC Annual Mtg.	63.96
<b>TOTAL</b>	-	<u>\$ 517.25</u>

## DIRECTORS & ATTORNEY EXPENSES

December-17

### KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (12/21)	\$ 342.80
MISC	-	-
VISA	- KAEC Annual Mtg.	653.66
KAEC	- 2017 KAEC Annual Mtg.	284.37
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,918.95</b>

### JIM BENTLEY

Per Diem	- NRECA Winter School (12/1-4); GRECC Bd. Mtg. (12/21)	\$ 1,831.70
MISC	-	-
VISA	- NRECA Winter School	535.41
	Lunch GRECC Bd. Mtg. (11/29)	13.93
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 3,019.75</b>

### HAROLD DUPUY

Per Diem	- NRECA Winter School (12/1-5); GRECC Planning & Review Budget Committee Mtg. (11/15); GRECC Bd. Mtg. (12/21)	\$ 2,538.71
MISC	-	-
VISA	- KAEC Annual Mtg.	466.14
	NRECA Winter School	842.53
KAEC	- 2017 KAEC Annual Mtg.	284.37
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 4,770.08</b>

### EDDIE MARTN

Per Diem	GRECC Planning & Review Budget Committee Mtg. (12/18); GRECC Bd. Mtg. (12/21)	\$ 617.12
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (11/29)	13.93
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,269.76</b>























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## Priscilla Sparks

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**From:** W J Scott <wjscott@windstream.net>  
**Sent:** Friday, February 09, 2018 9:48 AM  
**To:** Priscilla Sparks  
**Subject:** RE: January 2018 Board Minutes

Priscilla, I have reviewed the minutes of the January 2018 board meeting and they are fine.

Yours Truly,

W. Jeffrey Scott  
W. Jeffrey Scott, PSC  
Attorneys at Law  
311 West Main Street  
P.O. Box 608  
Grayson, KY 41143  
606.474.5194 phone  
606.474.5196 fax  
[wjscott@windstream.net](mailto:wjscott@windstream.net)

**From:** Priscilla Sparks [mailto:priscilla.sparks@GraysonRECC.com]  
**Sent:** Thursday, February 08, 2018 3:38 PM  
**To:** W. Jeffrey Scott (wjscott@windstream.net) <wjscott@windstream.net>  
**Subject:** January 2018 Board Minutes

Hello Jeffrey,

Please find attached the January 2018 board minutes for you to read.

The board packets will be mailed February 15, 2018, so any changes received by February 14th would be greatly appreciated.

Have a great evening.

*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 Sparks

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**From:** W J Scott <wjscott@windstream.net>  
**To:** Priscilla Sparks  
**Sent:** Friday, February 09, 2018 9:47 AM  
**Subject:** Read: January 2018 Board Minutes

Your message was read on Friday, February 09, 2018 2:47:14 PM UTC.



## Priscilla Sparks

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**From:** Microsoft Outlook <postmaster@graysonrecc.onmicrosoft.com>  
**To:** W. Jeffrey Scott (wjscott@windstream.net)  
**Sent:** Thursday, February 08, 2018 3:38 PM  
**Subject:** Relayed: January 2018 Board Minutes

**Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:**

[W. Jeffrey Scott \(wjscott@windstream.net\)](mailto:wjscott@windstream.net)

Subject: January 2018 Board Minutes





**February 23, 2018**

**At A Glance....**

**December**

<b>kWh Sales (12/01 - 12/31)</b>		<b>Margins</b>	
Month	2.84% <i>Down</i>	Month	\$ 422,399.55
YTD	-7.62%	YTD	\$ (2,048,484.81) ✓
<b>kWh Purchases (12/01 - 12/31)</b>		<b>OTIER</b>	
Month	18.49% <i>Down</i>	Month	6.06 ✓
YTD	-5.55%	YTD	(1.28) ✓
<b>Line Loss</b>			
Month	7.53%		
YTD	9.07% ✓		

**Fuel Adjustment**      0.003476 ✓

**ESC**                              10.28% ✓

**Degree Days**                      910 ✓

Heating Degree Days      910

Cooling Degree Days      0

**Notes:**

- Capital Credits
- 
-



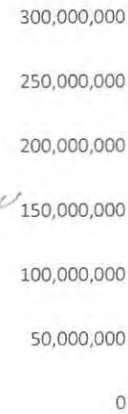


**Sales**

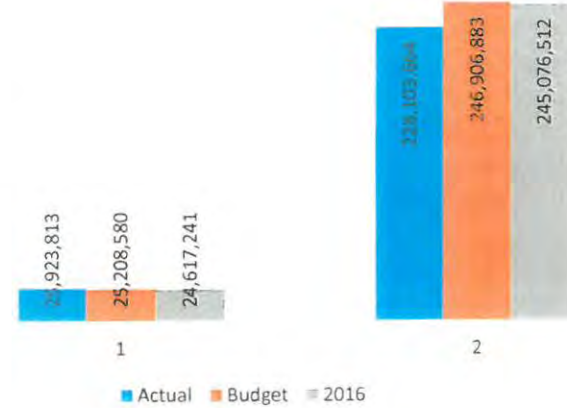
**December**

	2017	2016	2016-2014
Actual	25,923,813	24,617,241	25,935,421
Budget	25,208,580		
Difference	715,233 2.84%	1,306,572 5.31%	(11,608) -0.04%
<i>more on base 5% av up</i>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	228,103,664	245,076,512	249,275,062
Budget	246,906,883		
Difference	(18,803,219)	(16,972,848)	(21,171,398)
% Difference	-7.62%	-6.93%	-8.49%
<i>under under</i>			

*Sales*



**Sales**



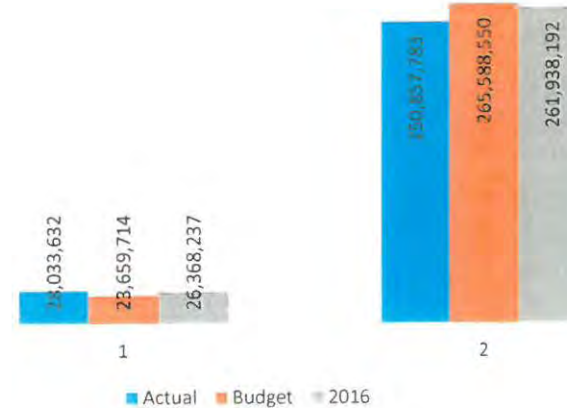
**Purchases**

**December**

	2017	2016	2016-2014
Actual	28,033,632	26,368,237	24,675,610
Budget	23,659,714		
Difference	4,373,919 18.49%	1,665,395 6.32%	3,358,022 13.61%
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	250,857,783	261,938,192	265,068,110
Budget	265,588,550		
Difference	(14,730,767)	(11,080,409)	(14,210,327)
% Difference	-5.55%	-4.23%	-5.36%
<i>under under</i>			



**Purchases**





## REVENUE SUMMARY DECEMBER 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)	\$ 482,647.44	\$ (15,745.27)	\$ 5,502.26	\$ 13.75	\$ 2,555.30	\$ 55,262.57	\$ 530,236.05	\$ 13,814.40	\$ 18.55	\$
Class 11 (Non-Electric House)	\$ 390,902.96	\$ (10,939.45)	\$ 10,603.02	\$ 24.75	\$ 1,084.32	\$ 46,273.10	\$ 437,948.70	\$ 8,315.88	\$ -	\$
Class 13 (Non-Electric Mobile Home)	\$ 90,721.58	\$ (2,926.25)	\$ 1,530.04	\$ 5.50	\$ 587.32	\$ 10,452.18	\$ 100,370.37	\$ 2,666.09	\$ -	\$
Class 14 (All Electric House)	\$ 1,189,137.57	\$ (34,359.88)	\$ 18,196.06	\$ 74.25	\$ 2,622.09	\$ 138,952.57	\$ 1,314,622.66	\$ 24,204.26	\$ 34.58	\$
Class 61 (Security Light)	\$ -	\$ (27.76)	\$ 1,379.88	\$ 2.75	\$ -	\$ 161.67	\$ 1,516.54	\$ 14.79	\$ 3.31	\$
<b>44010 TOTALS</b>	<b>\$ 2,153,409.55</b>	<b>\$ (63,998.61)</b>	<b>\$ 37,211.26</b>	<b>\$ 121.00</b>	<b>\$ 6,849.03</b>	<b>\$ 251,102.09</b>	<b>\$ 2,384,694.32</b>	<b>\$ 49,015.42</b>	<b>\$ 56.44</b>	<b>\$</b>
<b>44040 GENERAL SALES</b>										
Class 12 (Camps & Barns)	\$ 25,082.56	\$ (420.69)	\$ 498.64	\$ -	\$ 10.00	\$ 3,000.24	\$ 28,170.75	\$ 579.11	\$ -	\$
Class 15 (Camps)	\$ 21,201.44	\$ (357.32)	\$ 264.53	\$ -	\$ 50.00	\$ 2,505.18	\$ 23,663.83	\$ 708.03	\$ 18.68	\$
Class 16 (Barns)	\$ 21,873.20	\$ (290.46)	\$ 721.01	\$ -	\$ 19.66	\$ 2,661.62	\$ 24,985.03	\$ 591.32	\$ 11.95	\$
Class 17 (Garages, Out-buildings)	\$ 45,483.28	\$ (650.15)	\$ 1,052.05	\$ -	\$ 52.75	\$ 5,473.11	\$ 51,411.04	\$ 842.86	\$ 217.53	\$
Class 18 (Meters on Poles)	\$ 7,937.85	\$ (118.28)	\$ 195.16	\$ -	\$ 20.00	\$ 954.38	\$ 8,989.11	\$ 228.80	\$ 37.44	\$
Class 19 (Un-Inhabitable Houses)	\$ 1,267.64	\$ (18.13)	\$ 39.09	\$ -	\$ -	\$ 153.91	\$ 1,442.51	\$ 14.38	\$ -	\$
Class 20 (Miscellaneous)	\$ 1,443.38	\$ (38.38)	\$ 47.73	\$ -	\$ 10.00	\$ 167.65	\$ 1,630.38	\$ 52.93	\$ -	\$
<b>44040 TOTALS</b>	<b>\$ 124,289.35</b>	<b>\$ (1,893.41)</b>	<b>\$ 2,818.21</b>	<b>\$ -</b>	<b>\$ 162.41</b>	<b>\$ 14,916.09</b>	<b>\$ 140,292.65</b>	<b>\$ 3,017.43</b>	<b>\$ 285.60</b>	<b>\$</b>
<b>44210 SMALL COMMERCIAL</b>										
Class 25 (Small Commercial<50KVA)	\$ 174,153.03	\$ (4,290.10)	\$ 3,411.91	\$ 5.50	\$ -	\$ 20,689.97	\$ 193,970.31	\$ 4,898.46	\$ 8,201.13	\$
Class 26 (Security Light)	\$ -	\$ (5.99)	\$ 293.05	\$ -	\$ -	\$ 34.29	\$ 321.35	\$ 8.99	\$ 16.39	\$
Class 28 (Churches)	\$ 27,391.41	\$ (687.47)	\$ 1,570.16	\$ -	\$ -	\$ 3,375.93	\$ 31,650.03	\$ 78.88	\$ 614.16	\$
<b>44210 TOTALS</b>	<b>\$ 201,544.44</b>	<b>\$ (4,983.56)</b>	<b>\$ 5,275.12</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 24,100.19</b>	<b>\$ 225,941.69</b>	<b>\$ 4,986.33</b>	<b>\$ 8,831.68</b>	<b>\$</b>
<b>44220 LARGE POWER</b>										
Class 46 (Large Commercial<50KVA)	\$ 192,470.70	\$ (6,071.77)	\$ 988.28	\$ -	\$ -	\$ 22,374.01	\$ 209,761.22	\$ 1,235.31	\$ 8,176.34	\$
Class 47 (Pumping Station)	\$ 62.58	\$ (0.47)	\$ -	\$ -	\$ -	\$ 7.42	\$ 69.53	\$ -	\$ 4.17	\$
Class 79 (All Electric School)	\$ 45,023.25	\$ (1,410.25)	\$ 476.00	\$ -	\$ -	\$ 5,264.23	\$ 49,353.23	\$ -	\$ -	\$
<b>44220 TOTALS</b>	<b>\$ 237,556.53</b>	<b>\$ (7,482.49)</b>	<b>\$ 1,464.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,645.66</b>	<b>\$ 259,183.98</b>	<b>\$ 1,235.31</b>	<b>\$ 8,180.51</b>	<b>\$</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>										
Class 74 (Smithfield & Elliott Co. Prison)	\$ 139,968.64	\$ (6,811.16)	\$ 28.94	\$ -	\$ -	\$ 15,902.45	\$ 149,088.87	\$ -	\$ 4,927.75	\$
<b>44230 TOTALS</b>	<b>\$ 139,968.64</b>	<b>\$ (6,811.16)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,902.45</b>	<b>\$ 149,088.87</b>	<b>\$ -</b>	<b>\$ 4,927.75</b>	<b>\$</b>
<b>44400 STREET LIGHTS</b>										
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (11.72)	\$ 599.69	\$ -	\$ -	\$ 70.20	\$ 658.17	\$ -	\$ -	\$
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (11.72)</b>	<b>\$ 599.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 70.20</b>	<b>\$ 658.17</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>
<b>TOTALS</b>	<b>\$ 2,856,768.51</b>	<b>\$ (85,180.95)</b>	<b>\$ 47,397.50</b>	<b>\$ 126.50</b>	<b>\$ 7,011.44</b>	<b>\$ 333,736.68</b>	<b>\$ 3,159,859.68</b>	<b>\$ 58,254.49</b>	<b>\$ 22,281.98</b>	<b>\$</b>
							<b>TOTAL REVENUE</b>	<b>\$ 3,310,972.99</b>		
									<b>TOTAL T.</b>	<b>\$</b>





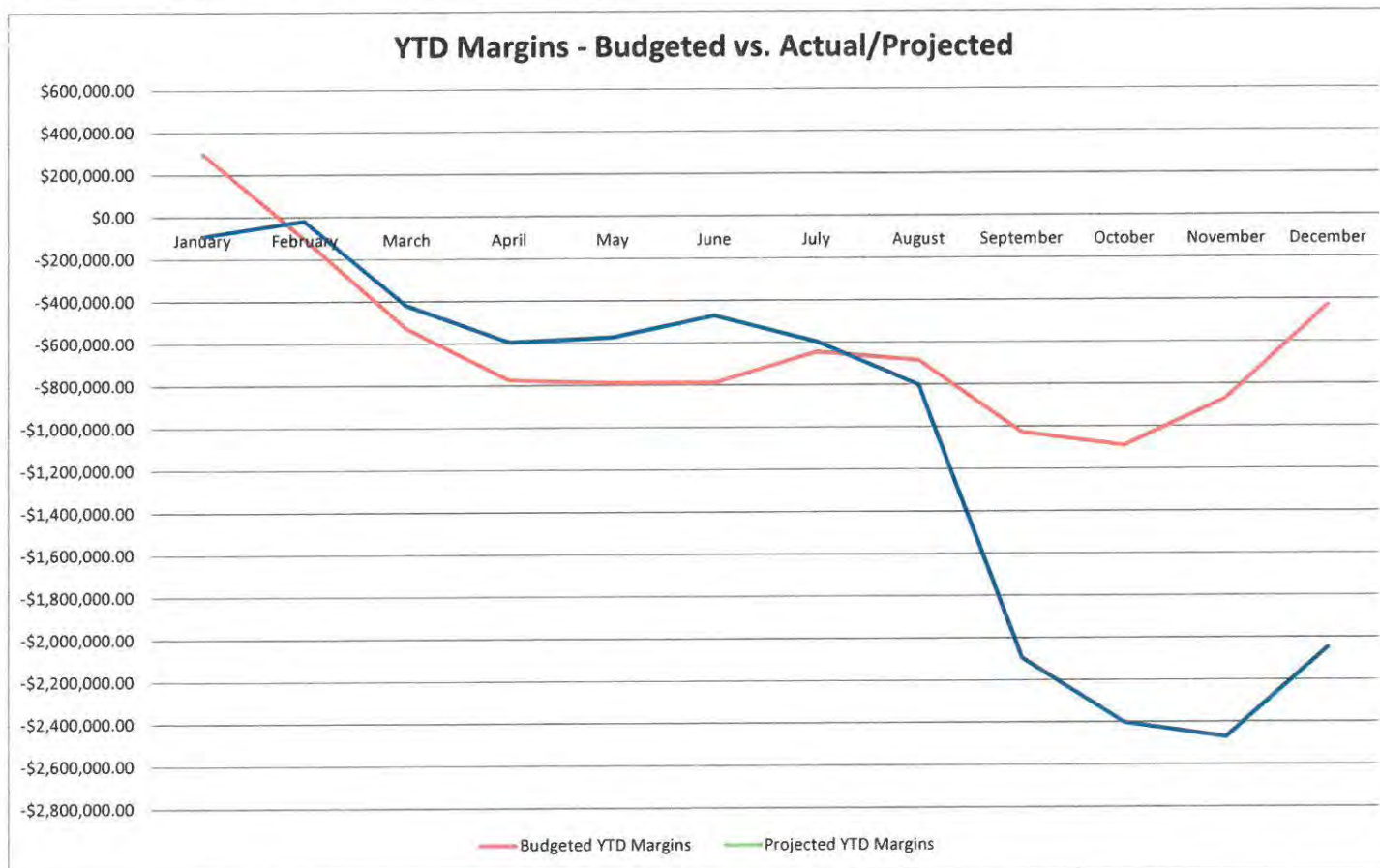
### Monthly Operating Revenue & Expenses

	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017
Revenue	(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)	(2,447,561)	(3,266,270)
Purchased Power	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	1,484,948	1,906,642
<b>Gross Margins</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>	<b>(962,613)</b>	<b>(1,359,628)</b>
Operations	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049
Maintenance	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089	246,528	253,612	270,469	291,798
Customer Service	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891
Informational Advertising	20,450	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760
Demonstration Advertising	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354
Admin & General	173,417	155,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689
Depreciation	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622
Regulatory	3,345	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009
Interest - LTD	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434
Interest - Deposits	369	666	665	663	665	677	671	668	670	671	668	664	593
Miscellaneous Expense	3,092	6,114	2,889	1,099	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785
Interest Income	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)
Non-Electric Revenue	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)
Capital Credits	-	-	-	(53,470)	-	-	(524)	-	-	(33,801)	-	-	-
Margins	(376,467)	93,390	(72,896)	402,230	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)
* ( )'s = positive margins													
Operating Expenses	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	1,034,099	943,985
Monthly OTIER	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06

Revenue	(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)	(27,304,343)	(27,461,142)
Purchased Power	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	17,085,873	17,151,603
<b>Gross Margins</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>	<b>(10,218,470)</b>	<b>(10,309,539)</b>
Operations	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	1,312,520	1,299,965
Maintenance	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	3,386,407	3,439,976	3,424,805
Customer Service	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	1,012,461	1,070,976
Informational Advertising	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150
Demonstration Advertising	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103
Admin & General	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	1,978,857	1,955,130
Depreciation	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	3,464,381	3,477,092
Regulatory	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743	42,410	41,074
Interest - LTD	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167
Interest - Deposits	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941
Miscellaneous Expense	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148
Interest Income	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)
Non-Electric Revenue	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)
Capital Credits	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)
Margins	(380,376)	(52,201)	(446,589)	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484
Operating Expense	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	12,530,434	12,574,553
Rolling 12 Month OTIER	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)



	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	-\$68,841.18	\$223,335.28	-\$292,176.46	-\$2,470,884.36	-\$869,202.20	-\$1,601,682.16	-\$2,470,884.36
December	\$422,399.55	\$439,275.94	-\$16,876.39	-\$2,048,484.81	-\$429,926.26	-\$1,618,558.55	-\$2,048,484.81







## Margins/Tier

### December

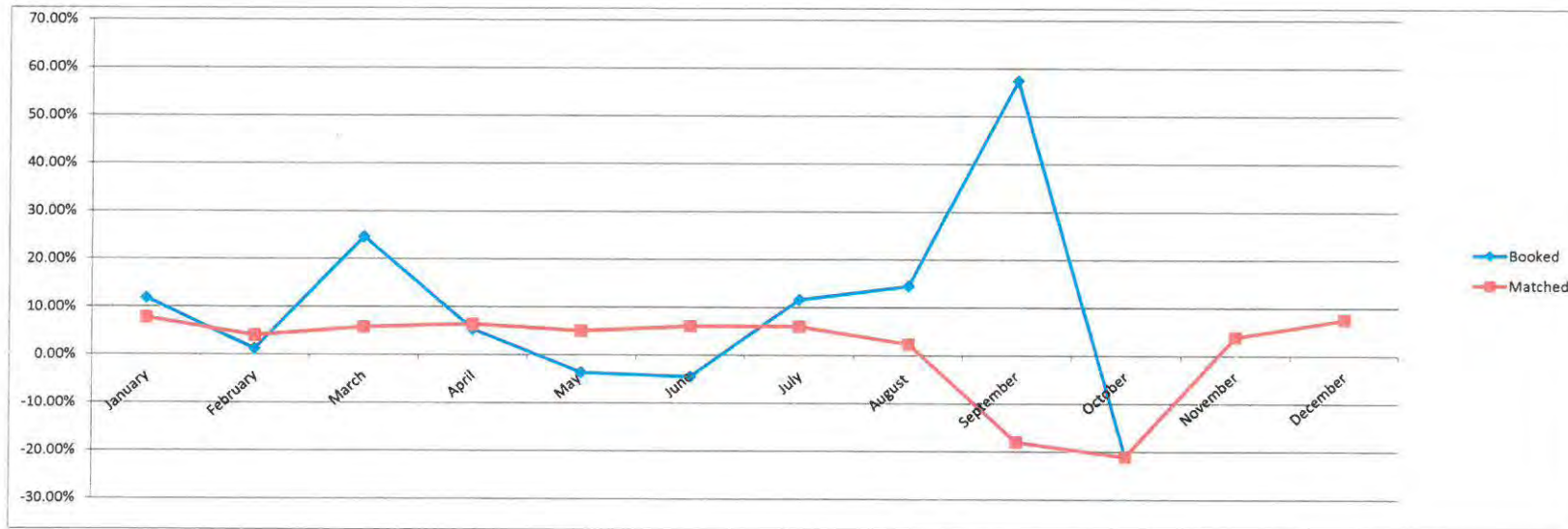
	2017	2016	2016-2014
Revenue	(3,266,270)	(3,109,471)	(3,199,251)
Purchase Power	1,906,642	1,840,912	1,740,873
<i>Gross Margins</i>	(1,359,628)	(1,268,559)	(1,458,378)
Operating Expenses	943,985	899,866	822,311
Margins	(422,400)	(376,467)	(632,134)
OTIER	6.06	7.17	9.84

### Year to Date

	2017	2016	2016-2014
Revenue	(27,461,142)	(30,511,143)	(31,507,402)
Purchase Power	17,151,603	17,917,378	18,765,245
<i>Gross Margins</i>	(10,309,539)	(12,593,765)	(12,742,157)
Operating Expenses	12,574,553	12,495,793	12,343,978
Margins	2,048,484	(380,376)	(611,972)
OTIER	-1.28	1.42	1.67



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	7,502,112.00	22,154,070.00	20,736,137.00	25,923,813.00	228,103,664.00
<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	17,591,772.00	18,280,897.00	21,554,306.00	28,033,632.00	250,857,783.00
<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	6,350,172.53	18,280,898.00	21,554,307.46	28,033,632.14	234,713,697.08
<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	10,089,660.00	-3,873,173.00	818,169.00	2,109,819.00	22,754,119.00
<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	-1,151,939.47	-3,873,172.00	818,170.46	2,109,819.14	6,610,033.08
<b>% Line Loss</b>													
<b>Booked</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	3.80%	7.53%	9.07%
<b>Matched</b>	7.67%	3.97%	5.70%	6.29%	5.01%	5.97%	5.97%	2.23%	-18.14%	-21.19%	3.80%	7.53%	2.63%





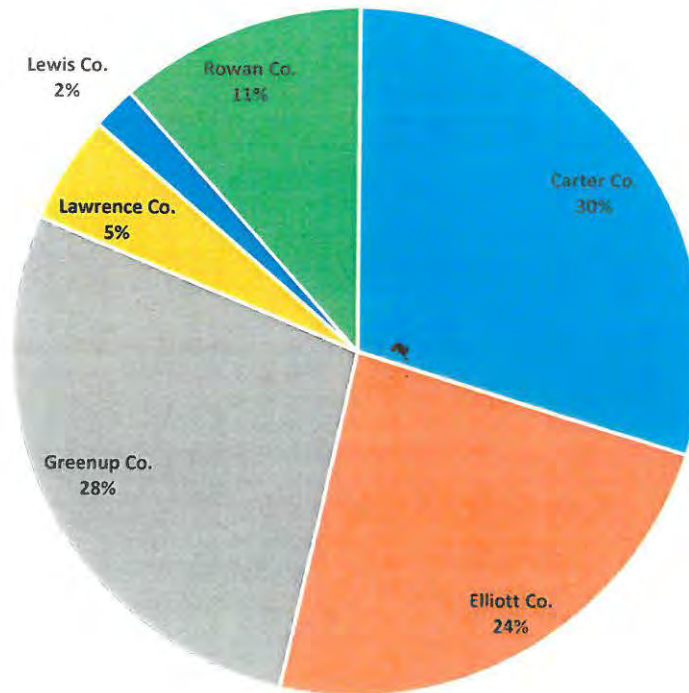
2017				2016				2016			
December Bill				December Corresponding Dates				December Bill			
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Dec	42	23	0	22	0	43	1-Dec	21-Dec	37	28	0
2-Dec	42	23	0	30	0	35	2-Dec	22-Dec	39	26	0
3-Dec	45	20	0	26	0	39	3-Dec	23-Dec	36	29	0
4-Dec	48	17	0	24	0	41	4-Dec	24-Dec	45	20	0
5-Dec	48	17	0	19	0	46	5-Dec	25-Dec	50	15	0
6-Dec	37	28	0	18	0	47	6-Dec	26-Dec	63	2	0
7-Dec	35	30	0	23	0	42	7-Dec	27-Dec	52	13	0
8-Dec	27	38	0	34	0	31	8-Dec	28-Dec	39	26	0
9-Dec	31	34	0	40	0	25	9-Dec	29-Dec	41	24	0
10-Dec	33	32	0	37	0	28	10-Dec	30-Dec	35	30	0
11-Dec	38	27	0	26	0	39	11-Dec	31-Dec	38	27	0
12-Dec	36	29	0	22	0	43	12-Dec	1-Jan	46	19	0
13-Dec	31	34	0	27	0	38	13-Dec	2-Jan	54	11	0
14-Dec	37	28	0	32	0	33	14-Dec	3-Jan	56	9	0
15-Dec	29	36	0	45	0	20	15-Dec	4-Jan	40	25	0
16-Dec	41	24	0	43	0	22	16-Dec	5-Jan	26	39	0
17-Dec	40	25	0	14	0	51	17-Dec	6-Jan	19	46	0
18-Dec	45	20	0	14	0	51	18-Dec	7-Jan	15	50	0
19-Dec	51	14	0	35	0	30	19-Dec	8-Jan	17	48	0
20-Dec	42	23	0	38	0	27	20-Dec	9-Jan	22	43	0
21-Dec	44	21	0	28	0	37	21-Dec	10-Jan	44	21	0
22-Dec	55	10	0	26	0	39	22-Dec	11-Jan	53	12	0
23-Dec	46	19	0	29	0	36	23-Dec	12-Jan	59	6	0
24-Dec	35	30	0	20	0	45	24-Dec	13-Jan	43	22	0
25-Dec	27	38	0	15	0	50	25-Dec	14-Jan	39	26	0
26-Dec	28	37	0	2	0	63	26-Dec	15-Jan	38	27	0
27-Dec	19	46	0	13	0	52	27-Dec	16-Jan	47	18	0
28-Dec	16	49	0	26	0	39	28-Dec	17-Jan	58	7	0
29-Dec	24	41	0	24	0	41	29-Dec	18-Jan	47	18	0
30-Dec	20	45	0	30	0	35	30-Dec	19-Jan	45	20	0
31-Dec	13	52	0	27	38	38	31-Dec	20-Jan	57	8	0
	35.6	910	0	809	38	38.9		41.9	715	0	
		910			847				715		



**Bills by County**

	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16
Carter Co.	4,585	4,618	4,572		4,607	4,584	4,588	4,587	4,565	4,579	4,573	4,546	4,559
Elliott Co.	3,646	3,671	3,662		3,686	3,666	3,665	3,642	3,638	3,640	3,668	3,653	3,645
Greenup Co.	4,286	4,339	4,319		4,368	4,357	4,352	4,334	4,342	4,300	4,323	4,287	4,283
Lawrence Co.	780	785	774		782	773	781	776	779	774	777	775	777
Lewis Co.	316	312	316		313	315	311	311	313	310	310	312	311
Rowan Co.	1,777	1,790	1,770		1,771	1,763	1,755	1,757	1,752	1,743	1,751	1,744	1,754
	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346	15,402	15,317	15,329

**# of Bills  
December 2017**







Carter Co.



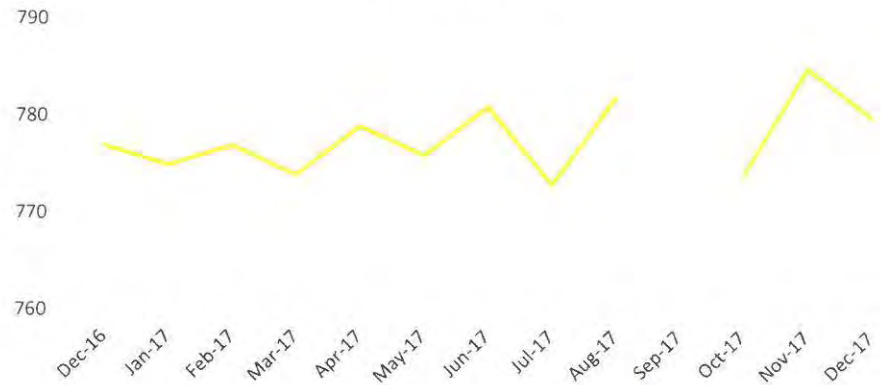
Elliott Co.



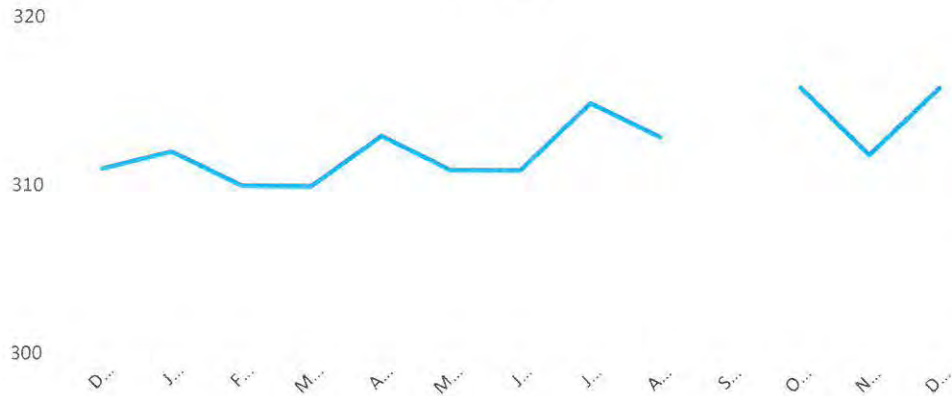
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**DECEMBER 2017  
219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER	COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		17	0.00	0.00		
100	NEW LINE EXTENSIONS		16	47,827.03	47,827.03	2,989.19	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS		2	685,904.09	685,904.09		
602	SERVICE UPGRADES		4	10,227.51	10,227.51	2,556.88	1,920.25
603	SECTIONALIZERS		5	3,499.91	3,499.91		
604	REGULATORS		0	0.00	0.00		
606	POLES		13	69,354.44	69,354.44	5,334.96	2,410.75
701	SECURITY LIGHTS		46	43,991.88	43,991.88	956.35	423.50
1600	MINOR PROJECTS		4	5,183.29	5,183.29		
	TOTAL		107	<b>865,988.15</b>	<b>865,988.15</b>		
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	25	22,978.25	22,978.25	919.13	1,120.00
	METERS	370.00	291	65,517.80	65,517.80	225.15	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		316	<b>88,496.05</b>	<b>88,496.05</b>		
	MATERIAL			<b>17,986.59</b>			
	MATERIAL OH			<b>41,380.95</b>			
	LABOR			<b>15,207.47</b>			
	LABOR OH			<b>59,040.51</b>			



GRAYSON RECC  
PRG. ACCTSUMM

ACCOUNTING SUMMARY FROM 01/17 THRU 12/17  
LINE NUMBER BY ACCOUNT  
ACCOUNTS 400.00 THRU 999.99  
RUS  
PAGE 1  
RUN DATE 02/15/18 03:17 PM

LINE NO	ACCT	ITEM	DESCRIPTION	-----MONTHLY AMOUNTS-----			-----YEAR TO DATE		AMOUNTS-----	BUDGET
				THIS YEAR	PBD	LAST YEAR	THIS YEAR	PBD		
1.00	440.10		RESIDENTIAL SALES	2384692.00-	102	2261600.30-	18600850.15-	87	21132027.62-	21349174.00-
1.00			SUBTOTAL OF 440.1	<u>2384692.00-</u>	<u>102</u>	<u>2261600.30-</u>	<u>18600850.15-</u>	<u>87</u>	<u>21132027.62-</u>	<u>21349174.00-</u>
1.00	440.40		CAMP & BARN SALES	140292.65-	105	133277.82-	1331734.18-	94	1413281.12-	1421905.00-
1.00	442.10		SMALL COMMERCIAL SALES	225941.69-	103	215077.75-	2030768.78-	90	2220843.44-	2259298.00-
1.00	442.20		LARGE POWER SALES	259183.98-	107	244965.71-	2604840.27-	93	2794784.06-	2803090.00-
1.00	442.30		LARGE INDUSTRIAL(OVER 1,000 KVA	149088.87-	88	166788.20-	1896222.50-	97	1968298.34-	1951842.00-
1.00	444.00		STREET LIGHT SALES	658.17-	98	662.42-	7006.48-	92	7576.47-	7626.00-
1.00	450.00		FORFEITED DISCOUNTS	58254.49-	164	40212.06-	426628.11-	100	417225.51-	425000.00-
1.00	454.00		RENT FROM ELECTRIC PROPERTY	44677.16-	109	42918.68-	507748.08-	103	498723.96-	493750.00-
1.00	456.00		OTHER ELECTRIC SERVICE	3480.93-	75	3968.39-	55343.47-	99	58382.81-	56000.00-
1.00			TOTAL	<u>3266269.94-</u>	<u>103</u>	<u>3109471.33-</u>	<u>27461142.02-</u>	<u>89</u>	<u>30511143.33-</u>	<u>30767685.00-</u>
3.00	555.00		PURCHASED POWER	<u>1906642.00</u>	<u>115</u>	<u>1840912.00</u>	<u>17151603.00</u>	<u>95</u>	<u>17917378.00</u>	<u>18129754.00</u>
3.00			TOTAL	<u>1906642.00</u>	<u>115</u>	<u>1840912.00</u>	<u>17151603.00</u>	<u>95</u>	<u>17917378.00</u>	<u>18129754.00</u>
6.00	583.00		OVERHEAD LINE EXPENSE	10010.81	23	19716.18	538051.11	101	528258.12	532862.98
6.00	586.00		METER EXPENSE	23130.90	54	32641.66	432008.23	84	484179.00	512443.00
6.00	586.10		METER OPERATION SURVEY	.00		.00	63359.17	237	23635.40	26718.00
6.00	586.20		AUTOMATED METER EQUIP EXPENSE	2127.16	84	2138.36	39473.41	130	33903.24	30409.00
6.00	588.00		MAPPING EXPENSE	23779.98	197	17107.01	223229.61	154	183608.92	144688.00
6.00	588.10		MAPPING OPERATIONS	.00		.00	3843.88	36	9248.66	10824.00
6.00			TOTAL	<u>59048.85</u>	<u>56</u>	<u>71603.21</u>	<u>1299965.41</u>	<u>103</u>	<u>1262833.34</u>	<u>1257944.98</u>
7.00	590.00		MAINTENANCE SUPERVISION	27589.44	108	23941.93	289988.36	95	294078.46	305507.00
7.00	593.00		MAINTENANCE OF OVERHEAD LINES	124526.58	112	95442.90	1342583.93	100	1275761.98	1337901.00
7.00	593.10		MAINTENANCE OF LINE RIGHT-OF-WA	135579.39	95	179024.34	1653689.34	97	1684139.30	1712133.00



GRAYSON REC  
PRG. ACCTSUMM

ACCOUNTING SUMMARY FROM 01/17 THRU 12/17  
LINE NUMBER BY ACCOUNT  
ACCOUNTS 400.00 THRU 999.99

RUS

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LINE NO	ACCT	ITEM	DESCRIPTION	-----MONTHLY AMOUNTS-----			-----YEAR TO DATE AMOUNTS-----			BUDGET
				THIS YEAR	PBD	LAST YEAR	THIS YEAR	PBD	LAST YEAR	
7.00	593.20		MAINTENANCE STORM EXPENSES	.00		.00	86072.84	17	175378.41	500184.00
7.00	594.00		MAINTENANCE OF UNDERGROUND LINE	.00		.00	1000.00		.00	.00
7.00	595.00		MAINTENANCE OF TRANSFORMERS	605.82	52	5931.33	17149.08	124	24509.42	13874.00
7.00	596.00		MAINTENANCE OF STREET LIGHTS	.00		.00	35.83	5	458.38	774.00
7.00	598.00		MAINTENANCE-MISC DISTRIBUTION	3497.25	94	2629.13	34285.70	77	46012.85	44462.00
7.00			TOTAL	291798.48	89	306969.63	3424805.08	87	3500338.80	3914835.00
8.00	901.00		SUPERVISION - BILLING	11035.99	91	10705.53	138233.25	95	140492.91	146186.00
8.00	902.00		METER READING EXPENSE	.00		.00	.00		198.90	284.00
8.00	903.00		CUSTOMERS RECORDS & COLLECTIONS	76873.74	97	72623.62	914705.26	96	936584.18	954911.00
8.00	903.10		CASH DRAWER-OVERAGES & SHORTAGE	.00		53.67	92.40-		10.42	.00
8.00	904.00		UNCOLLECTIBLE ACCOUNTS	55019.20-	258-	109008.02-	18130.80	35	2729.98	52500.00
8.00			TOTAL	32890.53	34	25625.20-	1070976.91	93	1080016.39	1153881.00
9.00	909.00		INFORMATIONAL ADVERTISING	20760.28	95	20450.28	260150.32	100	256835.05	261440.00
9.00			TOTAL	20760.28	95	20450.28	260150.32	100	256835.05	261440.00
10.00	912.00		DEMONSTRATION & SELLING EXPENSE	1682.70	98	1526.44	20264.05	99	20354.40	20570.00
10.00	913.00		ADVERTISING	670.90	413	250.00-	1838.98	94	1036.10	1950.00
10.00			TOTAL	2353.60	125	1276.44	22103.03	98	21390.50	22520.00
11.00	920.00		ADMINISTRATIVE-GENERAL SALERIES	88733.09	93	86194.41	1093002.61	95	1119223.15	1149642.00
11.00	921.00		OFFICE SUPPLIES & EXPENSES	7742.71	34	14288.75	156181.84	57	146503.41	274808.00
11.00	923.00		OUTSIDE SERIVCES	12619.55	201	6654.72	70864.25	94	63205.58	75250.00
11.00	926.00		EMPLOYEE BENEFITS	.00		.00	.00		.00	2.00
11.00	926.10		EMPLOYEE PENSION & BENEFITS	.00		.00	.00		.00	.00
11.00	928.00		REGULATORY COMMISSION EXPENSES	24.95	5	.00	48.55	1	.00	6046.00





GRAYSON RECC  
PRG. ACCTSUMM

ACCOUNTING SUMMARY FROM 01/17 THRU 12/17  
LINE NUMBER BY ACCOUNT  
ACCOUNTS 400.00 THRU 999.99

RUS

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LINE NO	ACCT	ITEM	DESCRIPTION	-----MONTHLY AMOUNTS-----			-----YEAR TO DATE AMOUNTS-----			BUDGET
				THIS YEAR	PBD	LAST YEAR	THIS YEAR	PBD	LAST YEAR	
11.00	930.20		ANNUAL MEETING EXPENSES	410.18	6	5278.58	69924.64	92	89361.18	76379.00
11.00	930.30		MISCELLANEOUS GENERAL EXPENSES	1911.77	93	1643.09	34063.09	138	25151.92	24701.00
11.00	930.40		MISC FIELD TRAINING	759.73	21	478.95	35279.69	82	43675.39	43217.00
11.00	930.60		BOARD OF DIRECTOR'S EXPENSES	23278.41	179	18929.66	158827.47	102	143678.43	155608.00
11.00	930.70		DUES - NRECA & KAEC	324.85	7	4811.83	48726.69	84	57677.83	58000.00
11.00	932.00		MAINTENANCE OF GENERAL PLANT	13884.23	53	35136.65	288211.33	91	325148.40	316497.00
11.00			TOTAL	149689.47	82	173416.64	1955130.16	90	2013625.29	2180150.00
13.00	403.60		DEPRECIATION-DISTRIBUTION PLANT	275230.35	104	263275.90	3224204.67	102	3108024.11	3169524.00
13.00	403.70		DEPRECIATION-GENERAL PLANT	21391.85	105	20635.48	252887.00	104	233863.45	244223.00
13.00			TOTAL	296622.20	104	283911.38	3477091.67	102	3341887.56	3413747.00
14.00	408.60		REGULATORY COMMISSION ASSESSMEN	2009.46	58	3345.40	41073.93	99	40662.40	41500.00
14.00			TOTAL	2009.46	58	3345.40	41073.93	99	40662.40	41500.00
15.00	408.20		TAXES - FEDERAL UNEMPLOYMENT	.00		.00	.00		.00	.00
15.00	408.30		TAXES - FICA	.00		.00	.00		.00	.00
15.00	408.40		TAXES - STATE UNEMPLOYMENT	.00		.00	.00		.00	.00
15.00			TOTAL	.00		.00	.00		.00	.00
16.00	427.10		INTEREST-RUS	.00		20378.87	.00		373972.97	.00
16.00	427.20		INTEREST - COBANK	30124.39	90	32238.59	378088.79	95	405880.58	400000.00
16.00	427.30		INTEREST-CFC	29002.34	78	1112.31	363564.23	82	36355.81	445000.00
16.00	427.60		INTEREST - FFB	24307.44	324	7327.33	238514.27	265	79142.49	90000.00
16.00			TOTAL	83434.17	107	61057.10	980167.29	105	895351.85	935000.00
18.00	431.30		INTEREST-REFUND CUSTOMER DEPOSIT	593.33	237	368.52	7941.33	265	4513.52	3000.00



LINE NO	ACCT	ITEM	DESCRIPTION	-----MONTHLY AMOUNTS-----			-----YEAR TO DATE AMOUNTS-----			BUDGET
				THIS YEAR	PBD	LAST YEAR	THIS YEAR	PBD	LAST YEAR	
18.00			TOTAL	593.33	237	368.52	7941.33	265	4513.52	3000.00
19.00	426.10		MISCELLANEOUS DEDUCTION-DONATIO	400.00	41	339.12	14805.33	126	43273.50	11750.00
19.00	430.00		INTEREST ASSOCIATED ORGANIZATIO	4385.03	210	2753.28	20343.01	81	35049.50	25000.00
19.00			TOTAL	4785.03	156	3092.40	35148.34	96	78323.00	36750.00
22.00	419.00		INTEREST INCOME NON-OPERATING	2419.61-	102	2320.61-	31671.67-	111	29016.64-	28525.00-
22.00	419.20		NOW ACCOUNT INTEREST	54.09-	259	17.65-	493.20-	197	239.45-	250.00-
22.00	419.30		COMMERCIAL PAPER INTEREST	.00		.00	1779.43-	712	137.29-	250.00-
22.00			TOTAL	2473.70-	102	2338.26-	33944.30-	117	29393.38-	29025.00-
25.00	415.00		REVENUE-MERCHANDISE, JOB, CONTRAC	50.22-		1.04-	525.58-		342.50-	.00
25.00	415.40		RENTAL PROPERTY - REVENUE	400.00-		400.00-	4800.00-		4800.00-	.00
25.00	415.50		MACED REVENUE	.00		.00	199.50	5-	16521.28-	4000.00-
25.00	416.00		INCENTIVES/GEOTHERMAL,ETS,MISC	4742.42-	438	4285.00-	57859.69-	445	96612.49-	13000.00-
25.00	416.10		HOMEGUARD EXPENSE	.00		.00	.00		89.23	.00
25.00	416.40		RENTAL PROPERTY - EXPENSE	.00		.00	400.90		.00	.00
25.00	416.50		MACED EXPENSE	.00		.00	23865.68-	92-	3294.93	26015.00
25.00	421.00		MISC NON-OPERATING INCOME	.00		749.04-	.00		749.04-	2000.00-
25.00	421.20		LOSS/GAIN DISPOSITION PROPERTY	909.31		.00	8339.94-		13335.29	.00
25.00			TOTAL	4283.33-	732-	5435.08-	94790.49-	351-	102305.86-	7015.00
26.00	423.00		G & T CAPITAL CREDITS	504925.70-		1223639.89-	504925.70-		1223639.89-	.00
26.00			TOTAL	504925.70-		1223639.89-	504925.70-		1223639.89-	.00
27.00	424.00		OTHER CAP CR & PATRONAGE ALLOC	.00		.00	87794.87-	67	138680.76-	130900.00-



LINE NO	ACCT	ITEM	DESCRIPTION	-----MONTHLY AMOUNTS-----			-----YEAR TO DATE AMOUNTS-----			BUDGET
				THIS YEAR	PBD	LAST YEAR	THIS YEAR	PBD	LAST YEAR	
27.00			TOTAL	=====	=====	=====	=====	=====	=====	=====
				.00		.00	87794.87-	67	138680.76-	130900.00-
			TOTAL FOR 400 TO 999	=====	=====	=====	=====	=====	=====	=====
				927325.27-	211	1600106.76-	1543559.09	359	1592007.52-	429926.98



2017	RESIDENTIAL						GENERAL					
	Actual			Budget			Actual			Budget		
	\$	UNIT		\$	UNIT		KWH	\$	UNIT	\$	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	14,094,943	\$1,729,261	0.1227	11,285,018	\$1,478,337	0.1310	588,908	\$ 131,186	0.2228	409,801	\$108,843	0.2656
NOVEMBER	14,063,648	\$1,703,229	0.1211	15,664,651	\$1,969,047	0.1257	499,668	\$ 119,102	0.2384	494,439	\$117,874	0.2384
DECEMBER	18,795,268	\$2,384,694	0.1269	18,059,374	\$2,333,271	0.1292	609,720	\$ 140,293	0.2301	571,830	\$133,694	0.2338
	148,787,916	19,022,378	\$0.1278	165,647,323	21,349,173	\$0.1289	5,608,048	\$1,363,712	\$0.2432	5,864,691	\$1,421,906	\$0.2425
				165,647,323		-10.18%				5,864,691		-4.38%





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	1,644,792	\$ 206,315	0.1254	1,174,641	\$163,745	0.1394	3,115,220	\$ 277,012	0.0889	2,128,579	\$221,585	0.1041
NOVEMBER	1,344,060	\$ 173,432	0.1290	1,419,030	\$190,150	0.1340	2,270,954	\$ 222,241	0.0979	2,202,557	\$229,066	0.1040
DECEMBER	1,684,293	\$ 225,942	0.1341	1,603,106	\$218,984	0.1366	2,528,725	\$ 259,187	0.1025	2,363,235	\$242,704	0.1027
	15,575,120	\$2,081,084	\$0.1336	16,629,808	\$2,259,299	\$0.1359	27,034,463	\$2,672,407	\$0.0989	27,769,623	\$2,803,090	\$0.1009
				16,629,808	-6.34%					27,769,623	-2.65%	



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	2,706,247	\$ 153,529	0.0567	2,519,047	\$160,211	0.0636	3,960	\$ 620	0.1565	4,200	\$637	0.1516
NOVEMBER	2,553,847	\$ 142,632	0.0558	2,489,407	\$155,837	0.0626	3,960	\$ 614	0.1549	4,200	\$643	0.1532
DECEMBER	2,301,847	\$ 149,089	0.0648	2,606,867	\$169,186	0.0649	3,960	\$ 658	0.1662	4,168	\$669	0.1604
	31,052,964	\$1,896,043	\$0.0611	30,944,944	\$1,951,841	\$0.0631	45,153	\$7,158	\$0.1585	50,494	\$7,627	\$0.1511
				30,944,944	0.35%							



2017	TOTAL SALES					
	Actual			Budget		
	KWH	\$	UNIT		\$	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	22,154,070	\$ 2,497,923	0.1128	17,521,285	\$ 2,133,358	0.1218
NOVEMBER	20,736,137	\$ 2,361,250	0.1139	22,274,283	\$ 2,662,617	0.1195
DECEMBER	25,923,813	\$ 3,159,863	0.1219	25,208,580	\$ 3,098,508	0.1229
	228,103,664	\$27,042,781	\$0.1186	246,906,883	\$29,792,936	\$0.1207

Actual vs. Budget				
25,923,813	Month	2017	25,208,580	2.84%
228,103,664	YTD		246,906,883	-7.62%
Compared to 2016				
25,923,813	Month		24,617,241	5.31%
228,103,664	YTD		245,076,512	-6.93%



2017	TOTAL PURCHASES								
	DEMAND	KWH	Actual			Budget			
			\$	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	41,592	18,280,897	\$ 1,264,064	0.0691	61.05%	17,830,547	\$1,189,297	0.0667	
NOVEMBER	46,236	21,554,306	\$ 1,484,948	0.0689	64.75%	21,494,376	\$1,431,525	0.0666	
DECEMBER	59,718	28,033,632	\$ 1,906,642	0.0680	65.20%	23,659,714	\$1,651,448	0.0698	
		\$250,857,783	\$ 17,151,603	\$0.0684		265,588,550	\$18,129,758	\$0.0683	

Actual vs. Budget			
2017			
28,033,632	Month	23,659,714	18.49%
250,857,783	YTD	265,588,550	-5.55%





2017	GROSS MARGINS							
	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%	(0.008140)	(55,383)	8.80%	61,483
OCTOBER	\$1,233,859	\$ 944,061	\$289,798	-21.19%	(0.010194)	(178,832)	9.70%	202,233
NOVEMBER	\$876,302	\$1,231,092	(\$354,790)	3.80%	(0.002959)	(209,345)	11.94%	207,230
DECEMBER	\$1,253,218	\$1,447,060	(\$193,842)	7.53%	0.003476	(85,181)	10.28%	333,737
			<b>(\$1,578,161)</b>	9.07%	(0.005308)	<b>(1,379,777)</b>	9.30%	<b>2,295,050</b>



**219 Analysis**

**1st Year**  
Closed In Jan 2015 - Dec 2015

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
9 Retirements	256		\$3,997.18	-		
100 New Line Extensions	257	222	\$748,709.56	756,810.00	2,913.27	3,409.05
200 Tie Lines			\$0.00	-		
300 Major Projects			\$1,841,249.21	1,481,760.00		
601 Meters	1,649	3,324	\$371,972.55	\$495,276.00		149.00
Transformers	324	297	\$309,242.04	523,222.00	954.45	1,761.69
(padmount)	0		\$0.00			
Other Special Equipment	29		\$35,248.42	-		
602 Service Upgrades	31	55	\$59,832.91	103,086.00	1,930.09	1,874.29
603 Sectionalizers	46		\$67,847.51	392,438.00		
604 Regulators	0		\$-	355,950.00		
606 Pole Replacements	347	422	\$1,255,755.14	1,409,480.00	3,618.89	2,410.75
701 New Security Lights	225	222	\$135,640.94	130,758.00	602.85	589.00
1600 Minor Items	75		\$120,236.46	-		
<b>Total</b>			<b>\$4,949,731.92</b>	<b>5,648,780.00</b>		

**2nd Year**  
Jan 2016 - Dec 2016

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	266		\$3,370.34			
New Line Extensions	254	222	\$634,762.96	794,673.00	2,499.07	3,579.61
Tie Lines			\$0.00	0.00		
Major Projects			\$614,947	764,160.00		
Meters	1,238	3,324	\$280,041.18	518,544.00	226.20	156.00
Transformers	253	297	\$266,687.19	564,303.00	1,054.10	1,900.01
(padmount)						
Other Special Equipment	68		\$140,434.88	0.00		
Service Upgrades	29	55	\$77,720.74	108,247.00	2,680.03	1,968.13
Sectionalizers	57		\$79,055.12	412,065.00		
Regulators	0		\$-	73,870.00		
Pole Replacements	369	422	\$1,225,100.34	1,479,954.00	3,320.06	3,507.00
New Security Lights	348	222	\$258,910.17	137,418.00	743.99	619.00
Minor Items	47		\$69,046.65	0.00		
<b>Total</b>			<b>3,650,076.75</b>	<b>4,853,234.00</b>		

**3rd Year**  
Jan 2017 - Dec 2017  
(year to date)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	282		\$2,618.86			
New Line Extensions	247	222	\$759,877.57	834,366.00	3,076.43	3,758.41
Tie Lines			\$0.00			
Major Projects			\$146,420.74	299,600.00		
Meters	1,858	3,324	\$421,158.73	545,136.00	226.67	164.00
Transformers	249	297	\$240,593.27	588,550.00	966.24	1,981.65
(padmount)						
Other Special Equipment	2		\$26,332.51	0.00		
Service Upgrades	18	55	\$34,546.13	113,621.00	1,919.23	2,065.84
Sectionalizers	50		\$63,139.59	432,665.00		
Regulators	1		\$28,695.86	0.00	28,695.86	-
Pole Replacements	295	422	\$1,121,156.08	1,553,804.00	3,800.53	2,410.75
New Security Lights	438	222	\$332,334.13	144,300.00	758.75	650.00
Minor Items	47		\$83,587.06	0.00		
<b>Total</b>			<b>3,260,460.53</b>	<b>4,512,042.00</b>		

**4th Year**  
Jan 2018 - Dec 2018  
(year to date - June)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements			\$0.00			
New Line Extensions	0	222	\$0.00	876,057.00	#DIV/0!	3,946.20
Tie Lines		0	\$0.00	0.00		
Major Projects			\$11,447.15	307,860.00		
Meters	0	3,324	\$0.00	571,728.00	#DIV/0!	172.00
Transformers	0	297	\$0.00	618,001.00	#DIV/0!	2,080.81
(padmount)						
Other Special Equipment		0	\$0.00	0.00		
Service Upgrades	0	55	\$0.00	119,318.00	#DIV/0!	2,169.42
Sectionalizers	0	0	\$0.00	454,295.00		
Regulators	0	0	\$0.00	164,100.00		
Pole Replacements	0	422	\$0.00	1,631,452.00	#DIV/0!	2,410.75
New Security Lights	0	222	\$0.00	151,404.00	#DIV/0!	682.00
Minor Items			\$0.00			
<b>Total</b>			<b>11,447.15</b>	<b>4,894,215.00</b>		



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	\$ 1,076,389.99	Completed	\$ (470,119.99)
315 Warnock - Montgomery Rd	2015 \$ 357,000	\$ 283,729.65	Plant	4/30/2016 \$ 73,270.35
302 Argentum - Shultz	2016 \$ 145,860	\$ 124,100.67	Plant	4/30/2017 \$ 21,759.33
378 Elliotville - 173	2016 \$ 255,780	\$ 167,580.59	Completed	\$ 88,199.41
307 Low Gap - Alcorn	2016 \$ 174,970	\$ 125,682.00	Completed	\$ 49,288.00
311 Pactolus - Iron Hill	2016 \$ 80,490	\$ 99,537.95	Plant	4/30/2017 \$ (19,047.95)
312 Pactolus Campbell Lane	2016 \$ 107,060	\$ 98,045.97	Plant	4/30/2017 \$ 9,014.03
303 Argentum - Shultz to Sheep Hlw.	2017 \$ 11,920	\$ 36,649.06	Plant	12/31/2015 \$ (24,729.06)
375 Carter City - Lost Crk	2017 \$ 166,700	\$ 63,767.66	In Progress	\$ 102,932.34
385 Mazie - Blaine	2017 \$ 120,980	\$ 46,004.02	In Progress	\$ 74,975.98
309 Mazie - Cains Crk	2018 \$ 232,790	\$ 11,447.15	In Progress	\$ 221,342.85
313 Pelphrey - Prater Rd	2018 \$ 6,760			
314 Pelphrey - Bailey Hlw	2018 \$ 68,310			
	\$ 2,853,380	\$ 2,614,064		\$ 115,526



**Workplan to Date - Thru 12/17**  
**January 2015 - December 2018**

	<u>Number</u>	<u>Budget</u>	<u>Cost</u>	<u>Budget</u>	<u>Unit Cost</u>	<u>Budgeted Unit Cost</u>
Retirements	804	0 \$	9,986.38 \$	-		
New Line Extensions	758	888 \$	2,143,350.09 \$	3,261,906.00	2,827.64	3,673.32
Tie Lines	0	0 \$	-	-		
Major Projects	0	0 \$	2,614,064.28 \$	2,853,380.00		
Meters	4745	13296 \$	1,073,172.46 \$	2,130,684.00	226.17	160.25
Transformers	826	1188 \$	816,522.50 \$	2,294,076.00	988.53	1,931.04
Other Special Equipment (padmount)	0	0 \$	-	-		
	99	0 \$	202,015.81 \$	-		
Service Upgrades	78	220 \$	172,099.78 \$	444,272.00	2,206.41	2,019.42
Sectionalizers	153	0 \$	210,042.22 \$	1,691,463.00		
Regulators	1	0 \$	28,695.86 \$	593,920.00	28,695.86	-
Pole Replacements	1011	1688 \$	3,602,011.56 \$	6,074,690.00	3,562.82	2,410.75
New Security Lights	1011	888 \$	726,885.24 \$	563,880.00	718.98	635.00
Minor Items		0 \$	272,870.17 \$	-		

<b>Total Routine</b>		<b>9,257,652</b>	<b>17,054,891</b>
<b>Major Projects</b>		<b>2,614,064</b>	<b>2,853,380</b>
<b>Total Workplan</b>		<b>11,871,716</b>	<b>19,908,271</b>

as of December 31, 2013:

<b>Total Advanced to Date</b>	<b>\$4,000,000</b>	<b>\$9,420,119</b>
<b>Amount Encumbered - not advanced</b>	<b>\$5,420,119</b>	
<b>Yet to be Encumbered</b>	<b>\$9,904,881</b>	
<b>Total Loan</b>	<b>\$19,325,000</b>	
<b>Unadvanced Loan Funds</b>	<b>\$15,325,000</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

March 15, 2018

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-third day of March 2018 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

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

March 15, 2018

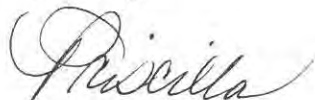
W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, March 23, 2018 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

BOARD MEETING AGENDA

On March 23, 2018 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 February 2018 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Cooperative Legal Matters – W. Jeffrey Scott
8. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for January 2018 – Bradley Cherry, Manager of Finance & Accounting
9. Manager of Technical Services Report – Brian Poling
10. Manager of Marketing & Member Services Report – Kim Bush
11. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
12. Approval of Ninety-One (91) New Memberships and Retirement of Forty-Two (42) Existing Memberships for February 2018
13. Consider Approval of Accounts to be Charged Off to Reserve \$4,106.67
14. Consider Approval of President's Business Expense in the Amount of \$696.60, Director's Business Expense in the Amount of \$10,596.03 and Attorney's Business Expense in the Amount of \$254.78
15. Consider Community Service and/or Donations
16. Approval of Attendance at Meetings – Directors and Employees
17. Report of Any Meetings Held
18. Confirm Date for Future Board Meeting – Friday, April 27, 2018
19. Additional Business
20. Adjourn



On February 23, 2018 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 present. William T. Rice was absent. Others present included: Carol Hall Fraley, President and CEO; Brandon Music, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt 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 January 2018 Board Meeting.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services gave his report as follows:
AMI / PSC	AMI Application to PSC update: nothing new. Still waiting on the PSC.
METER TESTING FACILITY	Brian and Steve Bush will be touring Luthan Electric Meter Testing in Owensboro the first week of March to review their disposal process. GRECC will be doing a system-wide meter upgrade. They hold them of six months and the cost is approximate \$35,000.
GPS MAP DATA	<p>All GPS map data has been entered for all substations. Now the workload shifts to Robert to ensure they are accurately kept up-to-date and all system changes are documented. Currently accounting has expenses through December 2017 that total just over \$600,000 and our Work Plan budget is \$800,930, so we are currently \$200,000 under budget getting it finished.</p> <p>Original estimation was 38,000 poles and the total was 35,461 poles. We estimated over 2,400 miles of line and we show 1,836.51 primary miles.</p>
ROBERT BROWN – MIP	Robert Brown has been at MIP training in Madison, Wisconsin. He has one more two-week trip beginning April 29 <sup>th</sup> .
MIKE NORMAN – RUS FIELD REPRESENTATIVE	Mike Norman, RUS Field Representative was here on February 7 <sup>th</sup> and answered questions concerning our proposed upcoming meter technology change as well as our next work plan. His review of the status of the current work plan indicated we have enough money to last an additional year as well as to pay for the meter upgrade. He said, as of now, we should have a new Construction Work Plan ready to submit to RUS in January of 2020.
RUS FORM 300	A new Form 300, survey of our system, done every four years was completed by Mr. Norman. It is a review of our system facilities, operating and maintenance procedures, engineering procedures and O&M Budgets. All the ratings remained the same as the previous survey with one exception. Our “Maps and Plant Records” reached a Satisfactory rating or “3” which is the highest available, due to our new mapping program. He suggested a 4-year cutting cycle of the right-of-way; keeping current on telephone pole transfers/retiring old pole; and reconciliation of idle services with billing system.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0025. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE RURAL UTILITIES SERVICE		BORROWER DESIGNATION KY 61	
<b>REVIEW RATING SUMMARY</b>		DATE PREPARED February 7, 2018	
		Ratings on form are: 0: Unsatisfactory – No Records 2: Acceptable, but Should be Improved – See Attached Recommendations NA: Not Applicable 1: Corrective Action Needed 3: Satisfactory – No Additional Action Required at this Time	
<b>PART I. TRANSMISSION and DISTRIBUTION FACILITIES</b>			
<b>1. Substations (Transmission and Distribution) (Rating)</b>		<b>4. Distribution - Underground Cable (Rating)</b>	
a. Safety, Clearance, Code Compliance		a. Grounding and Corrosion Control	
NA		3	
b. Physical Conditions: Structure, Major Equipment, Appearance		b. Surface Grading, Appearance	
NA		3	
c. Inspection Records - Each Substation		c. Riser Pole: Hazards, Guying, Condition	
NA		3	
d. Oil Spill Prevention		NA	
<b>2. Transmission Lines</b>		<b>5. Distribution Line Equipment: Conditions and Records</b>	
a. Right-of-Way: Clearing, Erosion, Appearance, Intrusions		a. Voltage Regulators	
NA		3	
b. Physical Condition: Structure, Conductor, Guying		b. Sectionalizing Equipment	
NA		3	
c. Inspection Program and Records		c. Distribution Transformers	
NA		3	
<b>3. Distribution Lines - Overhead</b>		d. Pad Mounted Equipment	
a. Inspection Program and Records		Safety: Locking, Dead Front, Barriers	
3		3	
b. Compliance with Safety Codes:		Appearance: Settlement, Condition	
Clearances		3	
Foreign Structures		Other	
2		3	
Attachments		c. Kilowatt-hour and Demand Meter	
2		Reading and Testing	
c. Observed Physical Condition from Field Checking:		3	
Right-of-Way		3	
2			
Other			
<b>PART II. OPERATIONS and MAINTENANCE</b>			
<b>6. Line Maintenance and Work Order Procedures (Rating)</b>		<b>8. Power Quality (Rating)</b>	
a. Work Planning & Scheduling		a. General Freedom from Complaints	
3		3	
b. Work Backlogs:		<b>9. Loading and Load Balance</b>	
Right-of-Way Maintenance		a. Distribution Transformer Loading	
3		3	
Poles		b. Load Control Apparatus	
3		NA	
Retirement of Idle Services		c. Substation and Feeder Loading	
2		3	
Other			
<b>7. Service Interruptions</b>		<b>10. Maps and Plant Records</b>	
a. Average Annual Minutes/Consumer by Cause (Complete for each of the previous 5 years)		a. Operating Maps: Accurate and Up-to-Date	
PREVIOUS POWER MAJOR SCHEDULED ALL TOTAL		3	
5 YEARS SUPPLIER STORM OTHER		b. Circuit Diagrams	
(Year) a. b. c. d. e. (Rating)		3	
2012 914.5 27.7 323.9 1,266.1 2		c. Staking Sheets	
2013 1.2 56.0 35.0 232.6 324.8 2		3	
2014 0.3 2,166.6 27.9 315.5 2,510.3 2			
2015 1,218.3 49.4 374.3 1,642.0 2			
2016 3.7 234.1 40.7 395.8 674.3 2			
b. Emergency Restoration Plan			
<b>PART III. ENGINEERING</b>			
<b>11. System Load Conditions and Losses (Rating)</b>		<b>13. Load Studies and Planning (Rating)</b>	
a. Annual System Losses 6.4%		a. Long Range Engineering Plan	
3		3	
b. Annual Load Factor 54.3%		b. Construction Work Plan	
3		3	
c. Power Factor at Monthly Peak 95.4%		c. Sectionalizing Study	
3		3	
d. Ratios of Individual Substation Annual Peak kW to kVA		d. Load Data for Engineering Studies	
3		3	
<b>12. Voltage Conditions</b>		e. Load Forecasting Data	
a. Voltage Surveys		3	
3			
b. Substation Transformer Output Voltage Spread		3	
3			



RUS FORM 300  
(CONTINUED)

PART IV. OPERATION AND MAINTENANCE BUDGETS						
YEAR	For Previous 2 Years		For Present Year	For Future 3 Years		
	2015	2016	2017	2018	2019	2020
	Actual \$ Thousands	Actual \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands	Budget \$ Thousands
Normal Operation	1,103	1,263	1,148	1,182	1,218	1,254
Normal Maintenance	3,191	3,500	3,768	3,881	3,997	4,117
Additional (Deferred) Maintenance						
Total	4,294	4,763	4,916	5,063	5,215	5,372
14. Budgeting: Adequacy of Budgets for Needed Work			3 (Rating)			
15. Date Discussed with Board of Directors			2/23/2018 (Date)			
EXPLANATORY NOTES						
ITEM NO.	COMMENTS					
3b	Telephone poles left standing next to electric poles need to be removed. Cable TV attachments require constant monitoring and follow-up to ensure code requirements are met.					
3c	A more aggressive tree trimming policy is recommended.					
6b	The report of idle services should be reconciled with billing records.					
RATED BY:	<i>Brian Blang</i>			TITLE	DATE	
				MANAGER OF TECHNICAL SERVICES	02/07/18	
REVIEWED BY:	<i>Chris Hill</i>			PRESIDENT & CEO	02/07/18	
REVIEWED BY:	<i>Mick Per</i>			RUS GFR	02/07/18	

OFFICE SPACE

President Fraley reported the refurbishing of the small office at the end of the second floor was completed. Scott and Joe will share this office, allowing Anita to have full desk space in the Outage Response Center.

PORCH BIDS

Due to eminent safety issues, the front porch must be replaced. The columns are rotting, the floor is slick when wet and there are low spaces just beyond the edges of the porch. Two bids were within \$500 of each other and the third bid was \$20,000 lower than the other two. One of the remaining bids was withdrawn.

The bid includes replacing down spouts and gutters, drainage in the front and the west end, removing and installing new columns, painting, removing the existing floor and replacing with fill and pouring a new 12 inch floor, filling open spaces around porch, and removing the front flower bed. The cost is \$72,500. Mike Kitchen, Chris Bond and Ralph Jordan submitted bids. This project is to be finished before May 1, 2018.

Motion was made by Director Trent to accept the bid of \$72,500 on the front porch bid, seconded by Director Bentley and unanimously agreed upon.

HALL FLOORING

President Fraley reported the floor covering in the two halls upstairs and the downstairs hall needs to be replaced. A proposal was made to use the same water proof flooring in the hallways as we used in the small office. The cost would be approximately \$3,500.

Motion was made to replace the two hall floor covering upstairs and downstairs hallways by Director Bentley, seconded by Director Trent and unanimously agreed upon.

Chairman Dupuy asked about the balance of money left in the work plan. Mr. Poling said we are trying to amend the current work plan to include new equipment for our metering program if it is approved by the PSC.

PIKE ELECTRIC

Our contractor, Pike Electric, is obligated by contract to complete all work in the current work plan. The metering program would not affect Pike Electric`.

MANAGER OF FINANCE  
AND ACCOUNTING REPORT

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

FINANCIAL & STATISTICAL  
REPORT FOR DECEMBER

Kilowatt hour sales for the month of December (12/01-12/31) were 2.84% over budget. Purchases for the time period of (12/1-12/31) were 18.49% over budget. Line loss for the last twelve months was 9.07%. Year to date margins were (\$2,048,484) compared to the budgeted amount of (\$429,926).

T.I.E.R

The monthly O.T.I.E.R is 6.06 and the rolling twelve month O.T.I.E.R was (1.09). The year to date was (1.28). If we factored back in our adjustments our O.T.I.E.R. would have been .76 for the year.

Margins were higher, T.I.E.R. was lower due to borrowing money and interest rates going up.

FUEL ADJUSTMENT

The fuel adjustment factor for the month was .003476.

LINE LOSS The line loss for the year was 7.53%, just under 3% which is really good.

DEGREE DAYS There was 910 heating degree days. December's average temperature was 35.6 degrees.

BILLS BY COUNTY We produced 15,390 bills. Bills by counties were: Carter 4,585, Elliott 3,646, Greenup 4,286, Lawrence 780, Lewis 316 and Rowan 1,777. We had fewer bills this month due to LIHEAP assistance.

RANDY MARTIN Randy Martin contacted Director Arrington about some transformers he would like to give the Cooperative. Unfortunately, we were unable to use any of them, due to size and configuration. President Fraley thanked him, sent him a card and gave him the name and phone number of a contact who might be interested in them.

CAPITAL CREDITS We issued eighteen capital credits checks totaling \$12,402.71. We have seventeen outstanding capital credit applications.

YEAR-END SUMMARY A summary of the year-end revenue was presented. Total revenue from sales for the year was \$27,461,000, \$3.3 million below our budget of \$30,760,000.

\$1.3 million of this difference occurred when we changed our billing cycle. Our purchased power was down approximately \$1.2 million dollars. Purchased power and sales were off between \$700,000-\$850,000. After talking to Alan Zumstein, we found that if we had not changed the billing cycle and, if we added the \$1.3 million loss back in for the change in the billing cycle, we would have been \$600,000-\$750,000 in the negative with an O.T.I.E.R. of .764. We still would not have made T.I.E.R.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR DECEMBER 2017 Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for December 2017 as presented for informational purposes only.

RUS WORK ORDERS RUS work orders for the months July, August and September 2017 were presented to the board of directors for approval:

July 2017	Work Order No. 1272	\$193,148.17
	Work Order No. 1273	\$ 5,554.18
August 2017	Work Order No. 1274	\$236,594.45
	Work Order No. 1275	\$ 8,763.56
September 2017	Work Order No. 1276	\$242,464.53
	Work Order No. 1277	\$ 8,939.93
	Total	\$695,464.82

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve said work orders as presented and submit them to RUS.

MANAGER OF MARKETING & MEMBER SERVICES Kim Bush, Manager of Marketing & Member Services presented her report as follows:

LIHEAP	Total LIHEAP received for 2017-2018 was \$223,415 compared to the total of \$236,642 in 2016-2017. Winter hardship reconnects have doubled. We had sixteen winter hardship reconnects and eight (8) 30 day extensions.
PRE-PAY	Pre-Pay currently has 690 active accounts and 4 inactive accounts. The average balance on Pre-Pay accounts is \$47.58 credit and average kWh usage is 48 daily. The total number of payments in 30 days is 3,266. Total payments received \$132,934.63.
DEBT MANAGEMENT	Debt Management has 41 active accounts totaling \$10,088.50 with 6% of active Pre-Pay having Debt Management.
ENERGY EFFICIENCY	Tina Preece handled energy audits and high bill complaints on the following:  15 energy audits; 1 heat pump; 1 button up; and 1 billing insight. Energy Star appliance rebates: 3 heat pumps; 3 washers; 4 dishwashers; 1 freezer; 1 water heater; and 4 refrigerators. Consumers can file their own rebates online. Fifty solar panels sold in January. To date we have sold 83 panels. We have five consumers with solar panels on their home. Those consumers would receive a credit on their account for anything we buy back in the form of kWh for kWh and not what we pay East Kentucky Power.
HOUSE BILL 227	President Fraley reported on House Bill 227 (solar). KAEC supports this bill. She did contact local officials, as requested by Chris Perry, KAEC President & CEO. PSC is working at half of their staff.
ANNOUNCEMENTS	The Frankfort Youth Tours for high school juniors is March 27 <sup>th</sup> . We have received three applications. One of them is an employee's child.  The Board will have lunch with our Scholarship winners on March 23 <sup>rd</sup> .
ANNUAL MEETING	The Annual Meeting is Thursday, May 10 <sup>th</sup> . Extension cords stamped with GRECC on them will be given out with the buckets. The cost of the cords are \$13.89 for a 25 foot 14 gauge UL approved extension cord and \$12.44 for a 15 foot cord. The Board encouraged Kim to buy the 25 foot cord at the best price she can.  President Fraley stated she would be requesting two armed police officers for the Annual Meeting this year.
BOOKS	Schools that have received The Little People's Guide to the Big World books are Isonville, Lakeside, Argillite, Blaine and Sandy Hook.
SCHOLARSHIPS	We have 41 scholarship applications that will be judged next Wednesday. The top ten will be notified and will be at the March Board Meeting.
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 January 2018:

January 2 – Brian Poling, Manager of Technical Services, went over the System Coordination and the Optional Recloser/Recloser Combination. Carol Ann discussed that there were no accidents in 2017 and how we needed to work each day to keep 2018 accident free. Kyle requested that everyone need to change out their sleeves, stay warm and watch over each other.

January 15 – Robert Brown, Geographical Information System Technician, went over the new GIS updates, Catalyst Map, Carry Maps, and Pole Numbers. Kyle Clevenger ask everyone to be careful due to ice and snow.

January 24 – Sherry Buckler, Manager of Accounting & Human Resources, turned the meeting over to Tony Dempsey with KAEC. He discussed Near Miss Reports and went over examples of Task Performed, Incident Summary, Job Briefing, Safety Equipment in Use, and Corrective Action Taken. He showed several pictures of family, friends, and co-workers to touch base on making safety personal. Kyle Clevenger reminded everyone that it was soft, slick, and wet outside and to watch out for each other.

January 29 – Kim Bush, Manager of Marketing and Member Services, went over several safety issues by playing a game of BINGO and giving out prizes. Kyle Clevenger requested everyone to be safe and watch over each other. Be cautious for slips, trips and falls.

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.

President Fraley told the Board everyone was appreciative of their safety day check for 2017 they received. KAEC went over a new safety program Wednesday starting with no electrical contacts, reduce slips, trips and falls. The Statewide will suggest and introduce new safety prevention to employees and improve KY Co-ops safety programs. Tony Dempsey was reminded that GRECC has the lowest workers compensation rates in Kentucky.

### JUSTIN STANIFORD

Justin Staniford has been promoted to second class lineman.

### LOCKDOWN

After the shooting at Taco Bell this week, we was on lockdown along with other businesses in town. Three of our men came up and stood by the door as consumers came in.

### CONSTRUCTION

Construction built one hundred seven (107) new work orders (sixteen added and eleven retired) for the month of January and worked no overtime.

### OVERTIME HOURS

The Maintenance Department worked two hundred ninety-six (296) hours of overtime during the month of January 2018. Engineering worked four (4) hours of overtime.

### DELINQUENT NOTICES

There were 145 delinquents for February. Forty-five cards were issued to be disconnected and two accounts were disconnected by remote meter on February 8<sup>th</sup>, cycle 1. Eighty-three cards were issued to be disconnected and fifteen accounts were disconnected by remote meter on February 14<sup>th</sup> for



DELINQUENT NOTICES  
(CONTINUED) cycle 2. Field personnel disconnected a total of 26 meters and a total of 15 meters were reconnected by field personnel and remote.

CONTRACT CREWS We have two (2) Pike crews that have been working in the following areas:  
  
Tony Seagraves – State Route 201, Lawrence County, now completed; and currently working on Cains Creek  
Bob Marrow – random pole changes in all counties

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 562 trees, cut 836 trees, and cut 45,415 feet of brush/line. The crews are working in the following areas:  
  
4 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 Elliott County  
1 bucket truck crew in Rowan County  
1 tractor crew in Lawrence County  
  
Smith Tree Service has one circuit crew on State Route 755 in Elliott County

ENGINEERING REPORT The Engineering Department released one hundred fifty (150) prints consisting of 5,850 feet of primary line and 837 feet of service wire. They currently have four (4) new services to be staked and two (2) to be drawn. They have approximately six (6) miscellaneous jobs to be staked or drawn.

RYAN RICE Ryan Rice, Construction Lineman, is engaged to marry Sherry Buckler's, daughter, Mikaela Buckler. Chairman Dupuy read Board Policy 109, Nepotism. The Board agreed this would cause no conflict for the Cooperative.

RIGHT-OF-WAY President Fraley reported the following on year-to-date right-of-way: 10,107 trees trimmed, 10,993 trees cut, 478,738 feet of brush, 1,005 spans sprayed (227,600 feet in length, 8,860 feet in width) and bush hogged 275,495.  
  
Kyle reported that all the men have adjusted well and like their laptops in their vehicles. The accuracy is good.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve eighty-five (85) new memberships and retirement of eighty-three (83) existing memberships for January 2018.

BAD DEBT WRITE-OFFS Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to charge off \$1,537.88 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 Martin and unanimously agreed to approve the President's business expense of \$593.86, Director's business expenses of \$21,657.56 and Attorney's business expense of \$517.25.

## PRESIDENT'S REPORT

President Fraley reported on the following:

### RATE INCREASE / E-BILLS

We are constantly seeking ways of keeping our costs down. In light of facing a rate increase, we would like to target e-billing. It costs us fifty-five cents to produce a bill (paper and mail). There are 700 prepays and 300 has signed up for e-billing. We have a tariff in place with the Commission stating we can do this. We are going to start a campaign for paperless e-bills, and our target is approximately 2,000 members. After establishing e-bills we hope to offer an e-mail magazine, saving the Co-op \$2.50-\$3.00 per magazine. We could save a significant amount of money. There was no objection from the Board.

Currently, when you go on pre-pay we charge \$10 per month for a processing fee. We are looking at a policy or tariff for those with good credit who want to go on pre-pay to waive this fee.

### YEAR - END - REPORT

President Fraley read her 2017 Year – End – Report to the Board as follows:

- Anita Bellew was promoted to Billing Administrator.
- Peggy Skaggs assumed the duties of AMI Administrator.
- Four Member Service Representatives are left in Billing. We are still working on this arrangement to see if it serves our needs.
- The Staff asked the Board for permission to investigate the installation of a new radio frequency metering system and selection of a metering company.
- All employees were issued new Safety Manuals. We continue to hold tail-gate sessions, Monday Morning Safety Meetings and monthly meetings conducted by a KAEC safety instructor.
- A new roof was installed on the Warehouse and the existing office generator was moved to the Warehouse and installed. A new whole-office generator was installed at Headquarters that will power the building and computer system in case of an outage.
- In January 2017, we had 614 participants in the Pre-Pay Program. In December 2017, we had 698. This program continues to work very well for members who can't afford a deposit and it helps keep our charge-off amounts low.
- Directors Harold Dupuy and Billy E. "Eddie" Martin were re-elected.
- Received an application from Columbia Gas (Trans Canada) for a Large Power Account. This was completed in September. We entered into a Large Power Contract, assisted by Jim Bridges.
- Justin Staniford completed his second year apprenticeship.
- We read 4 substations in 2017: Warnock, Low Gap, Sandy Hook and Newfoundland, for a total of 5,359 meters.
- Shoney's and Days Inn reopened.
- Participated in the Frankfort Youth Tour and sent 3 students to Washington D.C.
- Awarded 10 scholarships to area students and had a luncheon for them and their parents.
- Held the first annual Camp Co-op, with 15 children participating. It was an excellent program.
- Hosted a very successful Annual Meeting with over 1,300 members in attendance.
- Elected Officers of the Board: Harold Dupuy, Chairman, Jim Bentley, Vice Chairman, Billy E. "Eddie" Martin, Secretary /

YEAR - END – REPORT  
(CONTINUED)

- Treasurer, Jimmy Whitt, KAEC Board and Ken Arrington, EKPC Board.
- Participated in the Statewide Linemen’s Rodeo at Jackson RECC. Tony Brewer won second in an Apprenticeship competition.
  - Considered with the Board and adopted a 2 cycle billing program. This makes our billing on the same calendar as East Kentucky and helps to normalize our degree days, power purchases and line loss.
  - Replaced the header system on our geothermal unit.
  - Remodeled the small office at the end of the hall upstairs to repair water damage, increase security and give us more office space.
  - Paid deceased estates capital credits in the amount of \$165,592.27.
  - Removed one radio tower in Oldtown, Kentucky.
  - Began discussion on a future rate increase.
  - Bradley Cherry completed the Management Internship Program.
  - Completed a new Wage and Salary program that included all positions. This was adopted by the Board and was very helpful in Union Negotiations.
  - Successfully negotiated a 6 year Union Contract that was signed December 21, 2017. It will run from midnight on December 31, 2017 to midnight on December 31, 2023.
  - Reinstated our Retirement Plan with NRECA.
  - Received a check from Vanceburg Municipal as revenue for our territory there in the amount of \$3,226.88, an increase from last year of \$726.49.
  - Alan Zumstein completed our year-end audit and presented a management letter that showed no deficits and 34% equity.
  - Continued to have the lowest worker’s compensation rate among Co-ops in the state.
  - Residential sales decreased 9%.
  - Retiree’s Health Insurance increased 2.5%.
  - Completed our Mapping Program and concluded our contract for a GIS Field Inventory with Davey, Inc. We now have all substations reporting.
  - Continued to refine our outage reporting system and link it to our mapping program.
  - No Lost Time Accidents.
  - Successfully completed the RESAP Program.
  - Participated in the Cyber Security Vulnerability Risk Assessment and Microsoft Audit for licensing.
  - Started to evaluate how electric cars may impact our system.
  - Extended the Kendall contract with a 1% labor increase for their employees.
  - Maintained our rotation on Right-of-Way work. Cut or trimmed 10,107 trees, cut 10,993 trees, sprayed 1,005 spans of line, cleared 478,738 feet of brush and cut 275,495 feet of brush with a bush hog.
  - Started having the Maintenance Men and Construction Foremen use their iPads to receive and complete their daily work, send remarks, plan their routes, indicate retirements or safety issues, and take pictures of problem situations. This also outlines and maps the system, giving directions by pole number. It will save time, trips and mileage.
  - Mike Norman came to work with us on an amendment to add Corral Park to the work plan. He was very pleased with the progress on work plan jobs. The right-of-way was completed this fall and the job will be completed in the spring of 2018.



YEAR - END - REPORT  
(CONTINUED)

○ Work Plan Jobs completed in 2017:

Major Projects		Budget	Actual	Status		Budget Variance
301 Airport Road - Rattlesnake R	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 Meac	2015	\$ 18,990				
310 Newfoundland - Stark	2015	\$ 606,270	\$ 1,076,389.99	Completed		\$ (470,119.99)
315 Warnock - Montgomery Rd	2015	\$ 357,000	\$ 283,729.65	Plant	4/30/2016	\$ 73,270.35
302 Argentum - Shultz	2016	\$ 145,860	\$ 124,100.67	Plant	4/30/2017	\$ 21,759.33
378 Elliottville - 173	2016	\$ 255,780	\$ 167,580.59	Completed		\$ 88,199.41
307 Low Gap - Alcorn	2016	\$ 174,970	\$ 125,682.00	Completed		\$ 49,288.00
311 Pactolus - Iron Hill	2016	\$ 80,490	\$ 99,537.95	Plant	4/30/2017	\$ (19,047.95)
312 Pactolus Campbell Lane	2016	\$ 107,060	\$ 98,045.97	Plant	4/30/2017	\$ 9,014.03
303 Argentum - Shultz to Sheep	2017	\$ 11,920	\$ 36,649.06	Plant	12/31/2015	\$ (24,729.06)
375 Carter City - Lost Crk	2017	\$ 166,700	\$ 63,767.66	In Progress		\$ 102,932.34
385 Mazie - Blaine	2017	\$ 120,980	\$ 46,004.02	In Progress		\$ 74,975.98
309 Mazie - Cains Crk	2018	\$ 232,790	\$ 11,447.15	In Progress		\$ 221,342.85
313 Pelphrey - Prater Rd	2018	\$ 6,760				
314 Pelphrey - Bailey Hlw	2018	\$ 68,310				
		\$ 2,853,380	\$ 2,614,064			\$ 115,526

DIRECTOR GOLD PROGRAM	Directors Harold Dupuy and Jimmy Whitt received their Director Gold Renewal Certificates earned from NRECA. To maintain their Director Gold Certificate they must have earned three credits from the Approved List of Continuing Education Programs within a two year period.
CRC DIVIDEND CHECK	We received a \$400 check from CRC for 2017 Class A dividends.
CRC VOTING DELEGATE	Director Bentley will serve as the Voting Delegate to CRC 2018 Meetings. No alternate voting delegate was named.
LEGAL COUNSEL'S REPORT	<p>Legal Counsel Music reported on the following:</p> <p>South KY RECC filed an application with the PSC for approval of 58 megawatts of off-system purchased power. A motion to intervene has been filed on our behalf.</p>
SOUTH KY RECC	<p>South Kentucky RECC notified EKPC of its intention to purchase 58 megawatts of off system power. The source is Morgan Stanley. This would, in effect, use all of South Kentucky's portion under the Memorandum of Understanding. Unfortunately, this would also come close to depleting East Kentucky Power's remaining allotment. None of the other Cooperatives would be able to purchase power under the MOU until another Coop's contract was up or until EKPC grows enough to allow other member Coops to participate. Immediately, several other Cooperatives filed to preserve their allotment.</p> <p>Director Arrington read from his iPad about South KY RECC's request. A thorough discussion was made in regards to SKRECC intervention and Director Arrington said if they give South Kentucky RECC 15% Grayson may be left out. Director Arrington also said this was negotiable from 15% to 5%. Mark David Goss said that SKRECC is not going to negotiate against themselves.</p> <p>President Fraley questioned how Goss Samford can represent EKPC and 9 cooperatives who have two different opinions on this situation. EKPC asked South KY if they would consider dropping their request to 5 or 10%. South Kentucky may be legally obligated to Morgan Stanley.</p> <p>EKPC is considering buying 5 percent on the open market, below cost, for each Coop who doesn't have a part now. This begs the question of why they can't have a rate decrease.</p> <p>Legal Counsel Brandon elaborated on the interventions and said our hope is to try to work it out and getting 5% along with everyone else would be the fairest. This has to be approved by PSC.</p> <p>Legal Counsel Music said there was no other changes since the January Board Meeting.</p>
KAEC DIRECTOR'S REPORT	Director Whitt reported that the KAEC meeting was held in Frankfort on January 31 <sup>st</sup> with the Legislative Reception in the evening.
EKPC DIRECTOR'S REPORT	Director Arrington reported he had already discussed his topic with Legal Counsel Music's report.

DONATIONS

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

Elizabeth Baptist Church – sponsor car show for youth group fundraiser	\$25
Blaine Elementary – 8 <sup>th</sup> grade field trip	\$250
Charlie Marshall – medical benefit fundraiser (Kim Bush's uncle)	\$100
	\$375

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

MEETING ATTENDANCE

Employees attending upcoming meetings are:

Bradley Cherry, Andrea McCleese and Caitlin Hutchinson along with Directors Trent, Whitt, Bentley and Dupuy to the NRECA Annual Meeting in Nashville, TN on February 25-28, 2018.

Mike Martin will be attending Vegetation Management Association of KY in Lexington, KY on March 13-15, 2018.

BOARD MEETING DATES

The next two board meetings are scheduled for March 23, 2018 and April 27, 2018.

ADDITIONAL BUSINESS

There was no additional business brought before the board.

EXECUTIVE SESSION

Director Martin made a motion for the Board to go into Executive Session. President Fraley, Priscilla Sparks, Executive Assistant, Bradley Cherry, Chief Financial Officer, were excused from the board room at 12:09 p.m.

RECONVENE

Director Martin made a motion to return to the regular board meeting. Chairman Dupuy reconvened the meeting at 12:30 p.m.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:31 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

Minutes of the Executive Session of the February 23, 2018 GRECC Board Meeting

On February 23, 2018 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION	Director Martin asked to go into Executive Session at 12:09 p.m.  Matters concerning Legal Counsel Scott's contract and President Fraley's wage increase was thoroughly discussed.
LEGAL COUNSEL SCOTT	Director Martin made a motion to sign an one year contract with Legal Counsel Scott, seconded by Director Bentley. Evaluations to be in by March 9, 2018 and meet with Legal Counsel Scott the week of March 12, 2018.
PRESIDENT & CEO FRALEY	Director Martin made a motion to give President Fraley a one (1%) percent wage increase retroactive January 1, 2018, seconded by Director Arrington.  Director Martin called to come out of Executive Session at 12:30 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

December 2017 – January 2018

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
1/26/18	Journal Entry	*1/26/18 GRECC Board Meeting, Grayson, KY	\$13.37
2/5/2018	173732	VISA Expenses:	
		10/16/17 KAEC Annual Meeting, Louisville, KY 11/20-21/17	
		Room cancellation refund (\$148.57)	
		12/18-19/17 KAEC Annual Meeting, Louisville, KY	
		Room	\$148.57
		Meal	\$4.18
		*12/21/17 Honey Baked Ham – Christmas gift	\$64.76
		*12/27/17 Working thru lunch	\$8.65
		12/27/17 NRECA National Meeting, Nashville, TN 2/25-28/18	
		Registration	\$550.00
		Entertainment ticket	<u>\$55.00</u>
		Total Expenses	\$695.96

\*prorated expense



## DIRECTORS & ATTORNEY EXPENSES

January-18

### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (1/26)	\$ 343.60
<b>MISC</b>	-	-
<b>VISA</b>	- Christmas Gift (Honey Baked Ham)	64.78
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,046.50</b>

### JIM BENTLEY

<b>Per Diem</b>	- GRECC Bd. Mtg. (1/26)	\$ 301.09
<b>MISC</b>	-	-
<b>VISA</b>	- Christmas Gift (Honey Baked Ham)	64.78
	NRECA Annual Mtg. Registration	550.00
	Entertainment Ticket NRECA Annual Mtg.	55.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,609.58</b>

### HAROLD DUPUY

<b>Per Diem</b>	- GRECC Bd. Mtg. (1/26)	\$ 332.70
<b>MISC</b>	-	-
<b>VISA</b>	- Christmas Gift (Honey Baked Ham)	64.78
	NRECA Annual Mtg. Registration	550.00
	Entertainment Ticket NRECA Annual Mtg.	55.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 1,640.81</b>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Bd. Mtg. (1/26)	\$ 308.72
<b>MISC</b>	-	-
<b>VISA</b>	- Christmas Gift (Honey Baked Ham)	64.78
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,012.21</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (1/26)	\$ 321.80
<b>MISC</b> -		-
<b>VISA</b> -	Christmas Gift (Honey Baked Ham)	64.78
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b> -		<u>\$ 1,024.70</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (1/26)	\$ 338.15
<b>MISC</b> -	Lunch GRECC Bd. Mtg. (1/26)	13.37
<b>VISA</b> -	Christmas Gift (Honey Baked Ham)	64.78
	NRECA Annual Mtg. Registration	550.00
	Entertainment Ticket NRECA Annual Mtg.	55.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b> -		<u>\$ 1,659.42</u>

**JIMMY WHITT**

<b>Per Diem</b>	CFC Directors Financial Workshop (1/18-19); GRECC Bd. Mtg. (1/26)	\$ 1,109.28
<b>MISC</b> -		-
<b>VISA</b> -	Christmas Gift (Honey Baked Ham)	64.78
	KAEC Bd. Mtg.	169.53
	CFC Financial Workshop	15.51
	NRECA Annual Mtg. Registration	550.00
	Entertainment Ticket NRECA Annual Mtg.	55.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b> -		<u>\$ 2,602.81</u>

**JEFF SCOTT**

<b>Per Diem</b> -		\$ -
<b>MISC</b> -	Reimburse - Renewal Electric Coop Bar Assoc.	190.00
<b>VISA</b> -	Christmas Gift (Honey Baked Ham)	64.78
<b>TOTAL</b> -		<u>\$ 254.78</u>

































# Grayson Rural Electric Financial Report

2018 Board Materials  
225 of 882

March 23, 2018

## At A Glance....

January

<u>kWh Sales (1/01 - 1/31)</u>		<u>Margins</u>	
Month	18.77%	Month \$	573,165.48
YTD	18.77%	YTD \$	573,165.48
<u>kWh Purchases (1/01 - 1/31)</u>		<u>OTIER</u>	
Month	18.56%	Month	7.37
YTD	18.56%	YTD	7.37
<u>Line Loss</u>			
Month	6.52%		
YTD	6.52%		

**Fuel Adjustment**      0.004874

**ESC**                              9.81%

**Degree Days**                      1017

Heating Degree Days      1014

Cooling Degree Days      3

### Notes:

- Capital Credits
- 
-





### Sales

#### January

	2018	2017	2017-2015
Actual	29,890,386	21,747,637	26,565,441
Budget	25,166,435		
Difference	4,723,951 18.77%	8,142,749 37.44%	3,324,945 12.52%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	29,890,386	21,747,637	26,565,441
Budget	25,166,435		
Difference	4,723,951	8,142,749	3,324,945
% Difference	18.77%	37.44%	12.52%



### Purchases

#### January

	2018	2017	2017-2015
Actual	31,976,733	24,645,811	28,576,505
Budget	26,971,007		
Difference	5,005,726 18.56%	7,330,922 29.75%	3,400,228 11.90%
<hr/>			
	YTD-2018	YTD-2016	YTD-Prev 3
Actual	31,976,733	24,645,811	28,576,505
Budget	26,971,007		
Difference	5,005,726	7,330,922	3,400,228
% Difference	18.56%	29.75%	11.90%





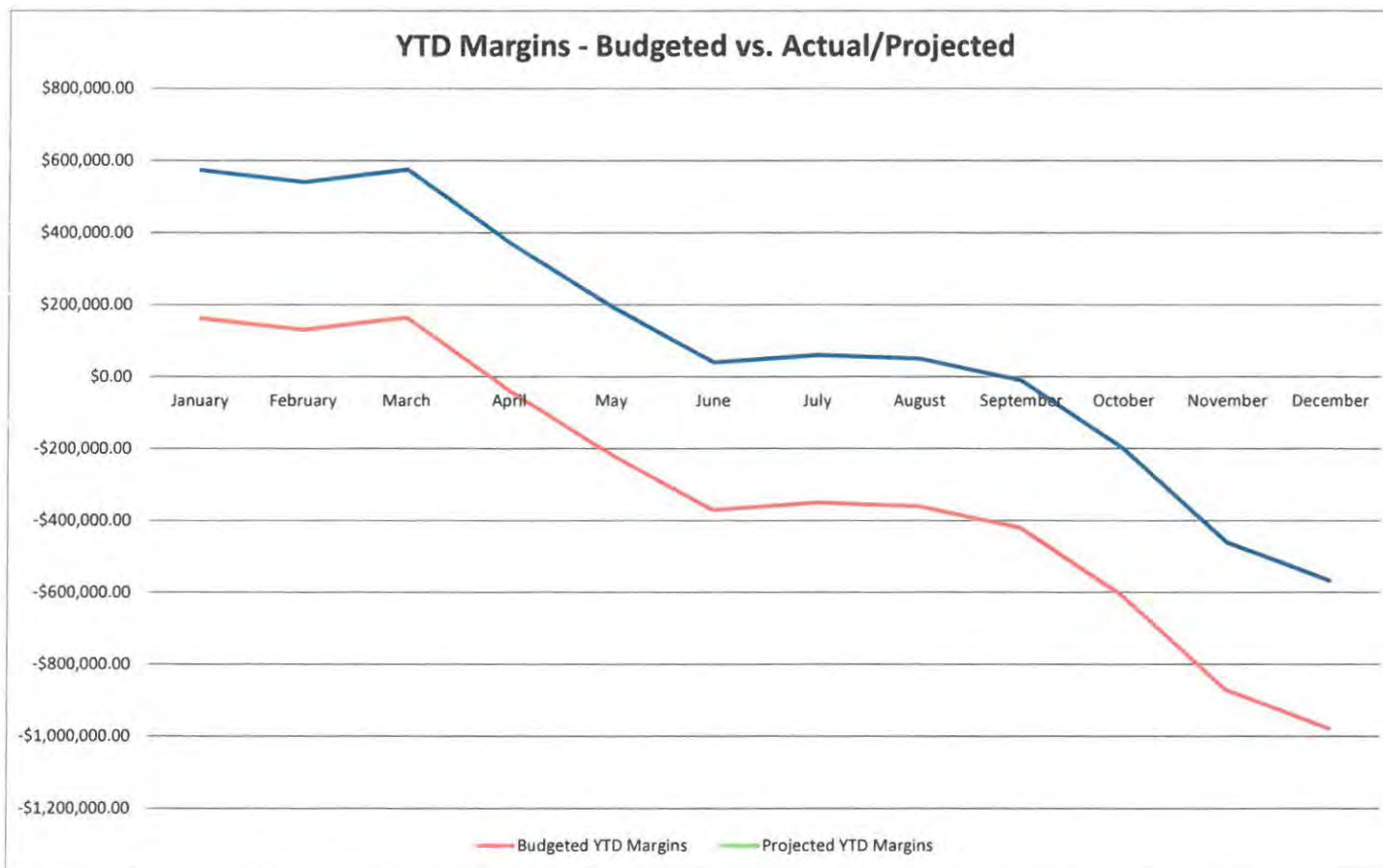
Monthly Operating Revenue & Expenses

	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018
Revenue	(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)	(2,447,561)	(3,266,270)	(3,881,960)
Purchased Power	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	1,484,948	1,906,642	2,216,790
Gross Margins	(995,620)	(1,052,954)	(612,007)	(870,423)	(1,071,075)	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)
Operations	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210
Maintenance	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089	246,528	253,612	270,469	291,798	258,693
Customer Service	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952
Informational Advertising	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019
Demonstration Advertising	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977
Admin & General	156,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335
Depreciation	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208
Regulatory	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	2,009	2,009	2,009	3,423
Interest - LTD	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002
Interest - Deposits	666	665	665	665	677	671	668	670	671	664	664	593	1,408
Miscellaneous Expense	6,114	2,889	1,099	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712
Interest Income	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)
Non-Electric Revenue	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535
Capital Credits	-	-	(53,470)	-	-	(524)	-	-	(33,801)	-	-	-	-
Margins	93,390	(72,896)	402,230	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,165)
* ( )'s = positive margins													
Operating Expenses	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	1,034,099	943,985	1,092,938
Monthly OTIER	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37
Revenue	(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)	(27,304,343)	(27,461,142)	(28,596,002)
Purchased Power	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	17,085,873	17,151,603	17,616,913
Gross Margins	(12,249,511)	(12,598,011)	(12,301,354)	(12,416,358)	(12,373,336)	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)
Operations	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	1,312,520	1,299,965	1,328,118
Maintenance	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	3,386,407	3,439,976	3,424,805	3,382,188
Customer Service	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	1,012,461	1,070,976	1,078,542
Informational Advertising	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434
Demonstration Advertising	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,796
Admin & General	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	1,978,857	1,955,130	1,967,256
Depreciation	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	3,464,381	3,477,092	3,489,387
Regulatory	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743	42,410	41,074	41,108
Interest - LTD	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553
Interest - Deposits	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,683
Miscellaneous Expense	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148	35,746
Interest Income	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)
Non-Electric Revenue	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(82,008)
Capital Credits	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)
Margins	(52,201)	(446,589)	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929
Operating Expense	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	12,530,434	12,574,553	12,574,752
Rolling 12 Month OTIER	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$0.00	-\$33,201.77			\$129,311.46		\$539,963.71
March	\$0.00	\$34,628.23			\$163,939.69		\$574,591.94
April	\$0.00	-\$203,632.77			-\$39,693.08		\$370,959.17
May	\$0.00	-\$176,183.77			-\$215,876.85		\$194,775.40
June	\$0.00	-\$155,336.77			-\$371,213.62		\$39,438.63
July	\$0.00	\$20,126.23			-\$351,087.39		\$59,564.86
August	\$0.00	-\$9,898.77			-\$360,986.16		\$49,666.09
September	\$0.00	-\$60,686.77			-\$421,672.93		-\$11,020.68
October	\$0.00	-\$189,227.77			-\$610,900.70		-\$200,248.45
November	\$0.00	-\$260,909.77			-\$871,810.47		-\$461,158.22
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$568,524.63





## Margins/Tier

### January

	2018	2017	2017-2015
Revenue	(3,881,960)	(2,747,100)	(3,334,169)
Purchase Power	2,216,790	1,751,480	1,969,508
<i>Gross Margins</i>	(1,665,170)	(995,620)	(1,364,661)
Operating Expenses	1,092,938	1,092,699	1,079,676
Margins	(573,165)	93,390	(274,532)
OTIER	7.37	(0.07)	4.56

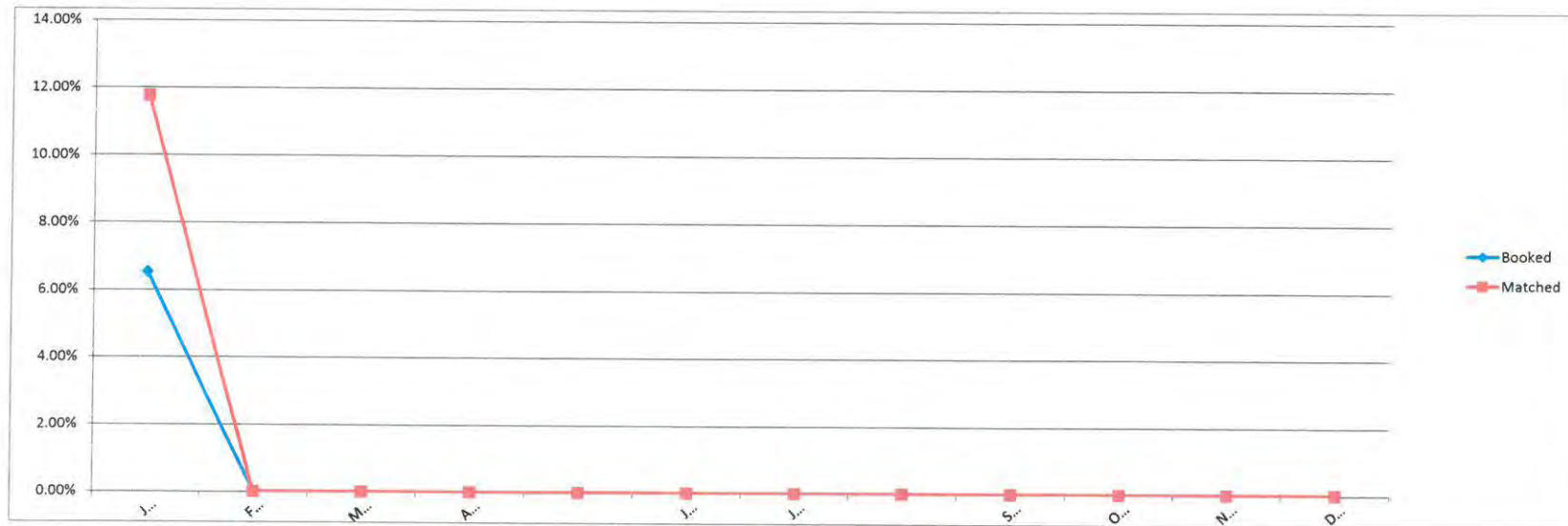
### Year to Date

	2018	2017	2017-2015
Revenue	(3,881,960)	(2,747,100)	(3,334,169)
Purchase Power	2,216,790	1,751,480	1,969,508
<i>Gross Margins</i>	(1,665,170)	(995,620)	(1,364,661)
Operating Expenses	1,092,938	1,092,699	1,079,676
Margins	(573,165)	93,390	(274,532)
OTIER	7.37	-0.07	4.38





2018		January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>		29,890,386.00												
<b>2017</b>		21,747,637.00												
<b>Purchases:</b>														
<b>Booked</b>		31,976,733.00												31,976,733.00
<b>2017</b>		24,645,811.00												24,645,811.00
<b>kWh Loss</b>														
<b>2018</b>		2,086,347.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,086,347.00
<b>2017</b>		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	2,898,174.00
<b>% Line Loss</b>														
<b>2018</b>		6.52%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	6.52%
<b>2017</b>		11.76%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9.06%





2018				2017				2017			
January Bill				January Corresponding Dates				January Bill			
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Dec	12	53	0	19	0	46	1-Dec	21-Dec	55	10	0
2-Dec	10	55	0	11	0	54	2-Dec	22-Dec	53	12	0
3-Dec	16	49	0	9	0	56	3-Dec	23-Dec	49	16	0
4-Dec	20	45	0	25	0	40	4-Dec	24-Dec	43	22	0
5-Dec	15	50	0	39	0	26	5-Dec	25-Dec	48	17	0
6-Dec	11	54	0	46	0	19	6-Dec	26-Dec	46	19	0
7-Dec	19	46	0	50	0	15	7-Dec	27-Dec	32	33	0
8-Dec	36	29	0	48	0	17	8-Dec	28-Dec	39	26	0
9-Dec	41	24	0	43	0	22	9-Dec	29-Dec	34	31	0
10-Dec	50	15	0	21	0	44	10-Dec	30-Dec	30	35	0
11-Dec	68	0	3	12	0	53	11-Dec	31-Dec	41	24	0
12-Dec	43	22	0	6	0	59	12-Dec	1-Jan	46	19	0
13-Dec	20	45	0	22	0	43	13-Dec	2-Jan	36	29	0
14-Dec	17	48	0	26	0	39	14-Dec	3-Jan	28	37	0
15-Dec	25	40	0	27	0	38	15-Dec	4-Jan	25	40	0
16-Dec	20	45	0	18	0	47	16-Dec	5-Jan	43	22	0
17-Dec	10	55	0	7	0	58	17-Dec	6-Jan	47	18	0
18-Dec	19	46	0	18	0	47	18-Dec	7-Jan	64	1	0
19-Dec	32	33	0	20	0	45	19-Dec	8-Jan	46	19	0
20-Dec	44	21	0	8	0	57	20-Dec	9-Jan	27	38	0
21-Dec	56	9	0	10	0	55	21-Dec	10-Jan	36	29	0
22-Dec	59	6	0	12	0	53	22-Dec	11-Jan	61	4	0
23-Dec	50	15	0	16	0	49	23-Dec	12-Jan	56	9	0
24-Dec	35	30	0	22	0	43	24-Dec	13-Jan	41	24	0
25-Dec	36	29	0	17	0	48	25-Dec	14-Jan	42	23	0
26-Dec	42	23	0	19	0	46	26-Dec	15-Jan	40	25	0
27-Dec	50	15	0	33	0	32	27-Dec	16-Jan	37	28	0
28-Dec	44	21	0	26	0	39	28-Dec	17-Jan	51	14	0
29-Dec	40	25	0	31	0	34	29-Dec	18-Jan	55	10	0
30-Dec	27	38	0	35	0	30	30-Dec	19-Jan	47	18	0
31-Dec	37	28	0	24	0	41	31-Dec	20-Jan	50	15	0
	32.4	1014	3	720	0	41.8		43.5	667	0	
		1017		720					667		

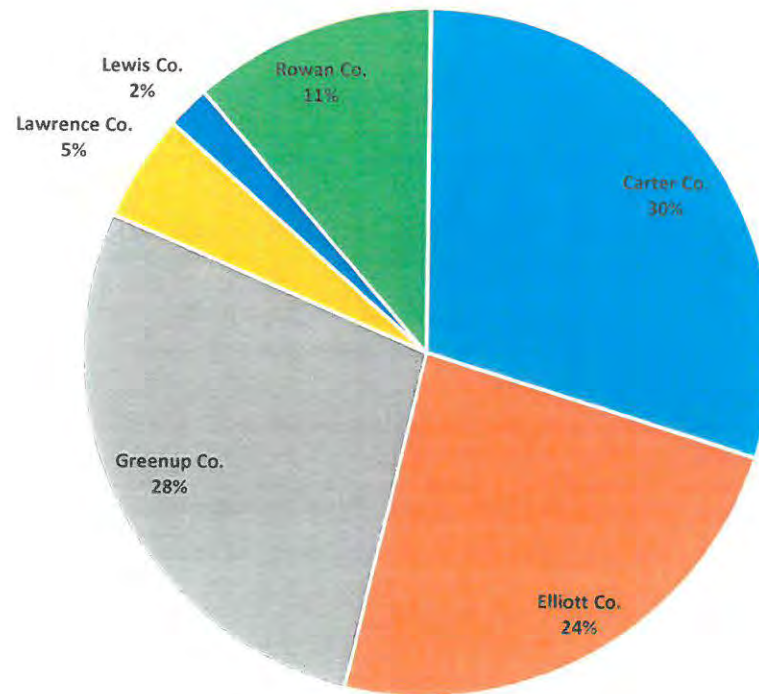


# Bills by County

2018 Board Materials  
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	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17
Carter Co.	4,590	4,585	4,618	4,572		4,607	4,584	4,588	4,587	4,565	4,579	4,573	4,546
Elliott Co.	3,666	3,646	3,671	3,662		3,686	3,666	3,665	3,642	3,638	3,640	3,668	3,653
Greenup Co.	4,281	4,286	4,339	4,319		4,368	4,357	4,352	4,334	4,342	4,300	4,323	4,287
Lawrence Co.	774	780	785	774		782	773	781	776	779	774	777	775
Lewis Co.	313	316	312	316		313	315	311	311	313	310	310	312
Rowan Co.	1,765	1,777	1,790	1,770		1,771	1,763	1,755	1,757	1,752	1,743	1,751	1,744
	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346	15,402	15,317

# of Bills  
January 2018





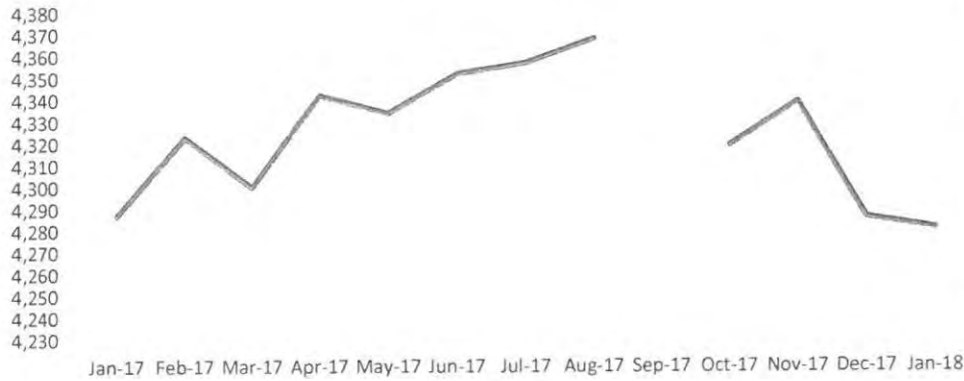
Carter Co.



Elliott Co.



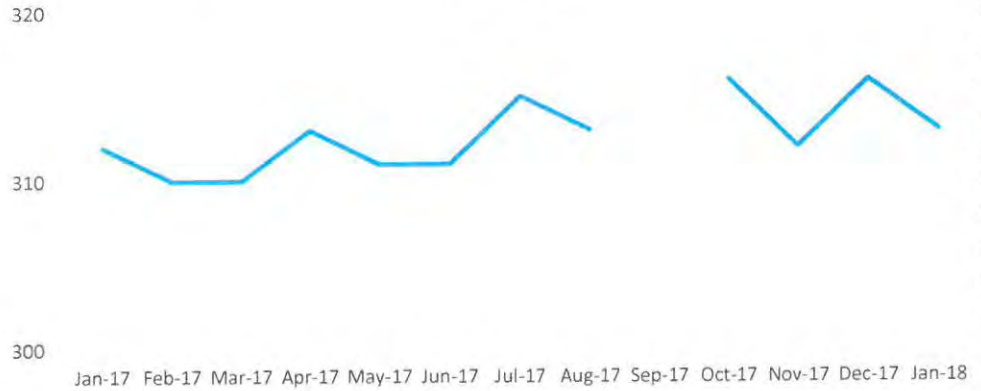
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







JANUARY 2018							
219 ANALYSIS							
W/O							BUDGETED
NBR	DESCRIPTION		NUMBER	COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		20	1,246.67	(1,246.67)		
100	NEW LINE EXTENSIONS		16	50,060.02	50,060.02	3,128.75	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS		1	31,103.70	31,103.70		
602	SERVICE UPGRADES		4	11,767.90	11,767.90	2,941.98	1,920.25
603	SECTIONALIZERS		5	9,700.69	9,700.69		
604	REGULATORS		0	0.00	0.00		
606	POLES		18	75,459.21	75,459.21	4,192.18	2,410.75
701	SECURITY LIGHTS		46	44,421.46	44,421.46	965.68	423.50
1600	MINOR PROJECTS		4	12,811.03	12,811.03		
	TOTAL		112	236,570.68	234,077.34		
601	SPECIAL EQUIPMENT	ACCT#					
	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	0	0.00	0.00	0.00	
	TOTAL		0	0.00	0.00		
	MATERIAL			20,984.38			
	MATERIAL OH			50,322.65			
	LABOR			13,007.68			
	LABOR OH			58,827.11			



## REVENUE SUMMARY JANUARY 2018

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 563,536.16	\$ 13,960.18	\$ 5,515.91	\$ 13.75	\$ 2,453.35	\$ 60,887.89	\$ 646,367.24	\$ 7,471.68	\$ -
Class 11 (Non-Electric House)	\$ 458,941.67	\$ 12,670.24	\$ 10,509.49	\$ 24.75	\$ 1,042.33	\$ 49,880.92	\$ 533,069.40	\$ 4,503.19	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 104,040.83	\$ 2,496.63	\$ 1,516.00	\$ -	\$ 590.30	\$ 11,287.30	\$ 119,936.56	\$ 1,625.66	\$ -
Class 14 (All Electric House)	\$ 1,430,602.25	\$ 40,647.49	\$ 18,056.68	\$ 74.25	\$ 2,593.79	\$ 154,140.69	\$ 1,646,115.15	\$ 10,348.49	\$ 61.00
Class 61 (Security Light)	\$ -	\$ 31.35	\$ 1,333.64	\$ 2.75	\$ -	\$ 140.36	\$ 1,508.10	\$ 3.84	\$ 3.00
<b>44010 TOTALS</b>	<b>\$ 2,557,120.91</b>	<b>\$ 69,805.89</b>	<b>\$ 36,931.72</b>	<b>\$ 121.00</b>	<b>\$ 6,679.77</b>	<b>\$ 276,337.16</b>	<b>\$ 2,946,996.45</b>	<b>\$ 23,952.86</b>	<b>\$ 65.00</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 27,384.57	\$ 536.16	\$ 471.64	\$ -	\$ 10.00	\$ 2,921.23	\$ 31,323.60	\$ (71.21)	\$ -
Class 15 (Camps)	\$ 21,357.09	\$ 360.73	\$ 274.68	\$ -	\$ 50.66	\$ 2,286.43	\$ 24,329.59	\$ 39.02	\$ 20.00
Class 16 (Barns)	\$ 26,582.88	\$ 459.44	\$ 703.24	\$ -	\$ 20.66	\$ 2,853.58	\$ 30,619.80	\$ 178.60	\$ 10.00
Class 17 (Garages, Out-buildings)	\$ 52,243.23	\$ 931.71	\$ 1,052.19	\$ -	\$ 55.75	\$ 5,580.48	\$ 59,863.36	\$ 190.01	\$ 277.00
Class 18 (Meters on Poles)	\$ 8,382.57	\$ 139.56	\$ 203.28	\$ -	\$ 24.00	\$ 899.91	\$ 9,649.32	\$ 82.80	\$ 36.00
Class 19 (Un-Inhabitable Houses)	\$ 1,139.64	\$ 17.85	\$ 39.09	\$ -	\$ -	\$ 122.98	\$ 1,319.56	\$ 17.19	\$ -
Class 20 (Miscellaneous)	\$ 1,838.30	\$ 13.86	\$ 47.73	\$ -	\$ 10.00	\$ 201.06	\$ 2,110.95	\$ 35.06	\$ -
<b>44040 TOTALS</b>	<b>\$ 138,928.28</b>	<b>\$ 2,459.31</b>	<b>\$ 2,791.85</b>	<b>\$ -</b>	<b>\$ 171.07</b>	<b>\$ 14,865.67</b>	<b>\$ 159,216.18</b>	<b>\$ 471.47</b>	<b>\$ 345.00</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 196,132.02	\$ 5,771.51	\$ 3,395.35	\$ 5.50	\$ -	\$ 21,105.08	\$ 226,409.46	\$ 747.69	\$ 9,264.00
Class 26 (Security Light)	\$ -	\$ 7.04	\$ 293.05	\$ -	\$ -	\$ 30.86	\$ 330.95	\$ 9.13	\$ 16.00
Class 28 (Churches)	\$ 38,709.97	\$ 1,183.32	\$ 1,570.44	\$ -	\$ -	\$ 4,262.48	\$ 45,726.21	\$ (11.83)	\$ 913.00
<b>44210 TOTALS</b>	<b>\$ 234,841.99</b>	<b>\$ 6,961.87</b>	<b>\$ 5,258.84</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 25,398.42</b>	<b>\$ 272,466.62</b>	<b>\$ 744.99</b>	<b>\$ 10,195.00</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 206,340.74	\$ 8,053.03	\$ 988.28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class 47 (Pumping Station)	\$ 73.17	\$ 0.83	\$ -	\$ -	\$ -	\$ 22,141.27	\$ 237,523.32	\$ 222.81	\$ 8,276.00
Class 79 (All Electric School)	\$ 50,959.96	\$ 1,907.27	\$ 476.00	\$ -	\$ -	\$ 7.61	\$ 81.61	\$ -	\$ 4.00
<b>44220 TOTALS</b>	<b>\$ 257,373.87</b>	<b>\$ 9,961.13</b>	<b>\$ 1,464.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,632.56</b>	<b>\$ 296,431.84</b>	<b>\$ 222.81</b>	<b>\$ 8,281.00</b>
<b>44230 LARGE POWER OVER 1.000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison))	\$ 115,254.04	\$ 5,907.29	\$ 28.94	\$ -	\$ -	\$ 12,458.36	\$ 133,648.63	\$ -	\$ 3,062.00
<b>44230 TOTALS</b>	<b>\$ 115,254.04</b>	<b>\$ 5,907.29</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,458.36</b>	<b>\$ 133,648.63</b>	<b>\$ -</b>	<b>\$ 3,062.00</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ 13.76	\$ 599.69	\$ -	\$ -	\$ 63.06	\$ 676.51	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ 13.76</b>	<b>\$ 599.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63.06</b>	<b>\$ 676.51</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 3,303,519.09</b>	<b>\$ 95,109.25</b>	<b>\$ 47,075.32</b>	<b>\$ 126.50</b>	<b>\$ 6,850.84</b>	<b>\$ 356,755.23</b>	<b>\$ 3,809,436.23</b>	<b>\$ 25,392.13</b>	<b>\$ 21,949.30</b>
<b>TOTAL REVENUE</b>								<b>\$ 3,941,486.78</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

April 19, 2018

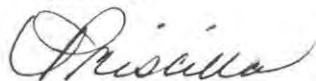
W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, April 27, 2018 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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Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

April 19, 2018

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 April 2018 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 April 27, 2018 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 2018 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for February 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Renewal of CFC Revolving Line of Credit
9. Cooperative Legal Matters – W. Jeffrey Scott
10. Manager of Technical Services Report – Brian Poling
  - a. Update on CPCN Application
11. Manager of Marketing & Member Services Report – Kim Bush
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of Sixty-Two (62) New Memberships and Retirement of One Hundred (100) Existing Memberships for March 2018
14. Consider Approval of Accounts to be Charged Off to Reserve \$5,708.14
15. Consider Approval of President's Business Expense in the Amount of \$326.53, Director's Business Expense in the Amount of \$7,333.91 and Attorney's Business Expense in the Amount of \$2,174.70
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Date for Future Board Meeting – Friday, May 25, 2018
20. Additional Business
21. Adjourn



Minutes of the Executive Session of the March 23, 2018  
Grayson Rural Electric Cooperative Corporation Board Meeting

On March 23, 2018 Grayson Rural Electric Cooperative Corporation held an Executive Session prior to its regular board meeting.

EXECUTIVE SESSION

Chairman Dupuy called for Executive Session at 8:10 a.m. and it was unanimously agreed upon. All Directors were present except Director Rice. Carol Hall Fraley, President and CEO; Priscilla Sparks, Executive Assistant; and Bradley Cherry, Manager of Finance and Accounting, were excused from the board meeting.

W. JEFFREY SCOTT

Matters concerning Legal Counsel W. Jeffrey Scott's contract was discussed.

Motion was made by Director Trent to accept a two year contract, seconded by Director Whitt. When voted upon there was two ayes and three nays.

Director Martin made a motion to offer a one year contract, seconded by Director Arrington and unanimously agreed upon.

Motion was made by Chairman Dupuy to come out of Executive Session at 8:55 a.m.

---

Harold Dupuy, Chairman

---

Billy E. (Eddie) Martin, Secretary/Treasurer



On March 23, 2018 at 9:10 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 present. Director Rice was absent due to surgery. Others present included: W. Jeffrey Scott, Legal Counsel, Carol Hall Fraley, President and CEO and Priscilla Sparks, Executive Assistant, and Bradley Cherry, Manager of Finance & Accounting.

Director Rice is in ICU this morning, but doing well. Chairman Dupuy has been in the hospital. Director Martin lost a sister. President Fraley's husband and son are not doing well.

INVOCATION	Director Whitt gave the invocation.
PER DIEM	Chairman Dupuy said one per diem for a special meeting in February (16th) would be paid at the April Board Meeting.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the February 2018 Board Meeting.
PRESIDENT'S REPORT	President Fraley reported on the following:
FRONT PORCH	Mike Kitchen will have the front porch repaired before annual meeting.
TONY BREWER	Tony Brewer has finished the apprentice program and is now a first class lineman. He will still work on Construction and will act as backup to Richard Easton.
NATIONAL LINEMAN DAY	April 9 <sup>th</sup> is National Lineman Day and we will honor them with a breakfast.
811 CALL BEFORE YOU DIG	We have joined 811's Call Before You Dig, after we finished our mapping and had a correct pole count. Chris Perry with KAEC called regarding legislation concerning 811 and we told him we were joining as soon as the mapping was finished.
AGENDA CHANGE	A motion by Director Martin, seconded by Director Trent, was made to change the order of the Agenda to move Bradley's report up on the agenda. Motion carried unanimously.
FINANCIAL & STATISTICAL REPORT FOR JANUARY 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for January 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of January (1/1-1/31) were 18.77% over budget. Purchases for the month of January (1/1-1/31) were 18.56% over budget. Line loss for the last twelve months was 6.52%. Year to date margins were \$573,165 compared to the budgeted amount of \$162,513.
FUEL ADJUSTMENT	The fuel adjustment for January was 0.004874.
ESC	The environmental surcharge was 9.81%.
DEGREE DAYS	There were 1,017 degree days; 1,014 heating degree days and 3 cooling degree days.

T.I.E.R. January 2018's monthly O.T.I.E.R. was 7.37 with the rolling 12 month O.T.I.E.R. of (0.41).

BILLS BY COUNTY There were 15,389 bills for January 2018. Bills per county were Carter 4,590, Elliott 3,666, Greenup 4,281, Lawrence 774, Lewis 313 and Rowan 1,765.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JANUARY 2018 Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical Report for January 2018, as presented for informational purposes only.

RATE INCREASE President Fraley addressed a rate increase for GRECC. Bradley gave a presentation of the past 3-4 years financial reports. She explained that we could expect a letter from RUS concerning T.I.E.R. and that a rate increase would be a recommended part of the reply to that answer.

The chart on page 3 explains data from 2014-2017. Degree days have decreased by 1,400 days, dropping our revenue by almost \$5.4 million. Even though our expenses have decreased by \$3.5 million, we are at the point where our revenue is insufficient. A good portion of the increase appears to be due to weather. We have to make T.I.E.R. of 2.25 and O.T.I.E.R of 1.1, for two out of three years.

Our rate case will be based on the following reasons:

- A decrease in kWh sales, resulting in diminished operating revenue.
- A decrease in member accounts.
- An increase in debt coverage.
- Inability to meet T.I.E.R. in 2017.
- Budgeted financials that indicate Grayson R.E.C.C. will be unable to meet T.I.E.R. in 2018.



RATE INCREASE  
(CONTINUED)

	2017	Adj 2017	2016	2015	2014
Operating Revenue	\$ 27,461,142	\$ 28,777,284	\$ 30,511,143	\$ 31,182,099	\$ 32,828,910
Purchase Power	\$ 17,151,603	\$ 17,151,603	\$ 17,917,378	\$ 18,455,285	\$ 19,923,071
Operating Expense	\$ 25,184,733	\$ 25,184,733	\$ 26,052,417	\$ 26,165,024	\$ 28,483,318
Depreciation	\$ 3,477,092	\$ 3,477,092	\$ 3,341,888	\$ 3,221,794	\$ 3,088,646
Interest on LTD	\$ 980,167	\$ 980,167	\$ 895,352	\$ 904,235	\$ 950,337
Margins	\$ (2,048,485)	\$ (732,343)	\$ 368,368	\$ 1,013,267	\$ 449,400
OTIER	-1.09	0.25	1.19	2.04	1.34
Degree Days	4440	4524	5344	5524	5926
Heating	3249	3275	3754	4387	4955
Cooling	1191	1249	1590	1137	971
<b>Total</b>					
kWh	223,362,793	239,862,793	245,076,512	247,930,543	
Consumers	14,158	15190	15,366	15,344	
Revenue	\$ 26,471,472	\$ 27,787,614	\$ 29,536,811	\$ 30,176,842	
<b>Residential</b>					
kWh	150,816,986	165,505,327	169,779,049	171,910,692	
Consumers	13,061	14194	14,166	14,117	
Revenue	\$ 19,932,584	\$ 19,173,454	\$ 22,545,309	\$ 23,009,195	
<b>Commercial</b>					
kWh	41,448,656	43,175,303	44,032,345	44,956,666	
Consumers	1,094	1193	1,197	1,224	
Revenue	\$ 4,635,609	\$ 5,001,771	\$ 5,015,628	\$ 5,175,936	
<b>Industrial</b>					
kWh	3,105,291	31,182,163	31,214,964	31,012,164	
Consumers	2	2	2	2	
Revenue	\$ 1,896,723	\$ 3,612,390	\$ 1,968,298	\$ 1,984,197	
<b>Street Lights</b>					
kWh	44,187	-	50,154	51,021	
Consumers	1	1	1	1	
Revenue	\$ 7,006		\$ 7,576	\$ 7,514	

President Fraley said we should not file for a rate increase until after our application for the metering program is approved.

We can proceed with a Cost of Service Study that will help us evaluate how a rate increase should be implemented. We need to plan to meet T.I.E.R. requirements for five years or more, with the least impact on our members. There is concern that EKP may go in for a rate increase in March 2019, which will pass through to our consumers.

RATE INCREASE  
(CONTINUED)

After careful study, a motion was made by Director Arrington, seconded by Director Whitt and unanimously voted to begin preparation for a rate case and to file a Letter of Intent to do so with the Kentucky Public Service Commission, at the appropriate time.

Motion was made to use Alan Zumstein and Jim Adkins to work on the rate study case by Director Martin, seconded by Director Whitt and unanimously agreed upon.

EKPC DIRECTOR

Cooperative Directors designated to serve on the EKPC Board are to file the paperwork for background checks. Kenneth Arrington is the current director representing GRECC.

Motion was made by Director Bentley, seconded by Director Martin to keep Director Kenneth Arrington as the EKPC's director and unanimously agreed upon.

FEDERATED REIE

Federated Rural Electric Insurance Exchange issued a check in the amount of \$6,030 for our 2017 margin distribution.

RUS WORK ORDERS

RUS work orders for the months of October, November and December 2017 were presented to the board of directors for approval:

October 2017	Work Order No. 1278	\$208,383.86
	Work Order No. 1279	\$1,348.59
November 2017	Work Order No. 1280	\$192,276.68
	Work Order No. 1281	\$2,090.19
December 2017	Work Order No. 1282	\$860,804.86
	Work Order No. 1283	\$5,183.29
	Total	\$1,270,087.47

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve said work orders as presented and submit them to RUS.

SCHOLARSHIP WINNERS

President Fraley read the list of the scholarship winners. There were:

Aisha Al-Sawafi – West Carter High School  
 Parker Ball – Raceland-Worthington High School  
 Conner Barker – Rowan County High School  
 Shannon Mabry – West Carter High School  
 Haley Nyderek – Greenup County High School  
 Erin Rice – Greenup County High School  
 Baylor Ruark – Greenup County High School  
 Heather Smith – Elliott County High School  
 Sydney Sturgill – Elliott County High School  
 Abigail Yates – Elliott County High School



KAEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting this month:

- \*The first KAEC Board Meeting was held in the new building this month.
- \*Mike Williams reported that the NRECA Annual Meeting held in Nashville, Tennessee had an attendance of over 9,000 and the largest one held to date.
- \*Financial report given by Richard Lacy reported on the consolidated margins, revenue, product sales, sales by state, transformer units, expenses, debt and line of credit, and the Discontinued Operations Pension Liability. Three options was discussed and option 3 was agreed upon allowing KAEC to use the existing line of credit to finance the \$1.3M liability to be paid back to NRECA for the pension. The key points are that this gives flexibility, minimizes interest expense and has no early penalties for prepayments.
- \*There was no margins. Capital credits
- \*Easement filing was discussed and a lot of coops are having trouble.
- \*House Bill 227 – solar net metering. Some are holding out maintaining we should pay more for clean green power and we maintain to only pay what we are paying now, purchased power.
- \*The KAEC Annual Meetings will be held at the Louisville Marriott Downtown through 2020. The Louisville Marriott East was considered but after investigation, would not accommodate our group.
- \*Discussions regarding logo change and a brand name for KAEC making it more recognizable. No sign is up at the new location yet.
- \*The upcoming NRECA Legislative Conference in Washington D. C. was discussed. It is the week of April 8, 2018.

EKPC DIRECTOR'S REPORT

Director Arrington reported the following on the EKPC Board Meeting this month:

Board okay's Spurlock project to ensure CCR/ELG compliance. EKPC's Board of Directors on Tuesday approved full implementation of a project at Spurlock Station to ensure the power plant's continued compliance with tightening federal regulations.

EKPC has begun initial steps in the project to ensure Spurlock Station remains in compliance with federal regulations related to potential environmental impacts of wastewater and coal ash from the plant. The Board has received frequent updates on the regulations, including options for compliance and the costs and risks involved.

The project is subject to the approval of the Kentucky Public Service Commission (PSC). In November, EKPC sought PSC approval and the agency's decision is expected in May.

The project includes new handling systems for bottom ash and fly ash from Spurlock Units #1 and #2; a wastewater treatment system to process scrubber wastewater and blowdown from the units; closure of the plant's ash pond; and establishment of a smaller impoundment to receive effluent from various plant processes. The total cost is estimated at \$262 million.

EKPC DIRECTOR'S REPORT  
(CONTINUED)

The Board also approved replacement of absorber spray headers to control sulfur dioxide emissions on Spurlock Units #1 and #2 at a cost of \$21 million. The headers have shown evidence of significant corrosion. The replacement headers will have features to resist future corrosion.

Also Tuesday, the Board approved adding a backup fuel oil system at Bluegrass Station to ensure the plant can continue operating in the event the primary fuel, natural gas, is not available. Under the capacity performance rules of PJM Interconnection, the plant could incur significant penalties, totaling as much as \$75 million, if it is unable to operate during some high-demand situations.

The fuel oil backup system is estimated to cost \$62 million and is subject to approval of the PSC. Various alternatives were considered for mitigating the risk, including purchasing firm delivery of natural gas, purchasing insurance and using liquid natural gas as a backup fuel.

Mike McNalley, Chief Financial Officer and Executive Vice President, reported that January's cold weather drove sales higher. But the cost of additional fuel and purchased power offset the added revenue. O&M expenses were below budget, resulting in margin of \$18.2 million, \$2.2 million better than budget. Cost to member systems was higher than budget because of high fuel prices and a large carry-over of the environmental surcharge from December.

The Board authorized EKPC to seek up to \$300 million in private placement issuance or tax exempt financing. This will allow EKPC to affordably finance capital expenditures and manage interest rate risk.

SOUTH KENTUCKY

Director Arrington reported President Campbell sent a letter to the EKPC directors excluding Boris Haynes of South Ky. R.E.C.C. The letter summarized Dennis Holt's request for South Kentucky to utilize 58 megawatts of off system purchased power. This could be problematic because of the impact EKPC says it will have on other member owners.

President Fraley pointed out she felt that South KY was within their right to request the full amount of their allotment. Keep in mind Dennis Holt or Boris Haynes were not on the Board when the Amendment 3 explanation or definition which is the MOU was adopted. President Fraley said the numbers did not add up when each Cooperative used their full 15%.

Mark David Goss is the attorney for South Ky. R.E.C.C. At some point, SKY began to look for off system power sources. They signed a contract with Morgan Stanley for 58 megawatts of purchased power, as they believed was allowed under Amendment 3 and the MOU. South KY talked to Tony Campbell last August (2017) and Mr. Campbell told them EKPC could absorb any financial impact on the other cooperatives.

Director Arrington said a special committee was formed of managers and directors to review this issue for EKPC, specifically to see if they could get the amount South KY asked for lowered to 5% or 10% instead of the full 15%. South KY's manager and Board allege they are in the right to ask for 58 megawatts. President Fraley said she thought Mark David Goss would have cautioned South KY's Board about checking to make sure of the procedure.

SOUTH KENTUCKY  
(CONTINUED)

South KY signed a contract with Morgan Stanley and gave EKPC proper notice about their plans to purchase 58 megawatts of power off system.

Tony asked the entire Board if they went out and purchased 5% of low cost power for every Coop that had not utilized Amendment 3 or the MOU, would that satisfy everyone? President Fraley told him she would accept the 5%, as we would never receive anything from the MOU or Amendment 3 any other way. East Kentucky does not seem to acknowledge Grayson RECC's attempt to purchase 9-10 megawatts of off system power a few years ago.

We received a memo from Brandon Music that Goss Sanford has filed on behalf of South KY an application for PSC approval of their intent to purchase power from an off system source under Amendment 3 and the MOU. They cited the Grayson case in their application. EKPC and South KY are now both going to use our case. Right after the South KY application was announced, several coops filed for their allotment of power under the MOU and Amendment 3.

The other 15 EKPC Cooperatives intervened in South KY's application to the PSC in order to preserve our opportunity to purchase off-system produced power. EKPC intervened, as well as Gallatin Steel and several others.

Legal Counsel Scott says the Commission has responded to the South KY's application. If South KY does not receive approval from the PSC by May 31, 2018, they would have to give East Kentucky notice that they want to get back in and purchase the 58 megawatts from East Kentucky." But under the MOU there is likely an 18 month period that must pass before this can happen.

Legal Counsel said the committee wanted our response by today and he did not feel that he or President Fraley had the authority to make that decision. Jeffrey said he would let them know our decision after the board meeting.

Director Arrington suggested to stay neutral unless it impacts Grayson and our 5%. Jim Miller is representing a lot of the Coops. There will likely be a hearing the first week in May. Legal Counsel thinks we should stay with the group. The question is the application of the MOU on this request and Amendment 3. Mark David Goss has filed to withdraw from this case due to conflict of interest.

Following thorough discussion, a motion to protect Grayson Rural Electric's financial interest, with respect to South Kentucky's application and do what is necessary to foster that financial interest, concern and impact was made by Director Arrington, seconded by Director Trent and unanimously agreed upon.

Director Martin asked to amend the previous motion to include it is okay for South Kentucky to come back into East Kentucky without having to wait 18 months, seconded by Director Trent and unanimously agreed upon.

EXECUTIVE SESSION Director Martin made a motion to go into Executive Session to discuss legal matters at 11:12 a.m., seconded by Director Bentley.

The following Motion was agreed upon by all Directors present:

LEGAL COUNSEL SCOTT The Board agreed to a contract with Legal Counsel Scott that commences on January 1 of each year and expires on January 31 of the following year. The Board agreed to an annual contract with Legal Counsel Scott. The Board agreed to put Legal Counsel's contract on the Agenda as an item every year.

Motion was made to come out of Executive Session and reconvene at 11:23 a.m.

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

RIGHT-OF-WAY EASEMENTS Reviewed 79 easements and signed off on those. A few of the easements had problems and the office was contacted. Those will be corrected before recording. An invoice was received for the recording fees and a check was mailed yesterday.

SOUTH KENTUCKY RECC We have been involved in South Kentucky Rural Electric's case.

NATHAN WHITT There are no updates on Nathan Whitt property above the Carter Caves entrance.

AGENDA ITEM Director Trent stated he felt the Manager of Finance and Accounting Report should be listed on the Agenda prior to the Legal Counsel's Report.

CAMP CO-OP Grayson Rural Electric's Camp Co-op won a silver medal at NRECA. Dates for this year's camp will be announced next month.

OPERATIONS & SAFETY 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 2018:

February 5 – Bradley Cherry, Manager of Finance and Accounting, discussed the new Teladoc benefits and the procedures to get in touch with a Board Certified doctor to discuss and treat your illness. Robert Brown and Scott Speaks were presented a Certificate of Completion for attendance to the Pipeline Emergency Response and Damage Preventions. Kyle Clevenger went over three accidents that involved Ryan Rice, Caitlin Hutchinson and Tony Brewer. He also asked everyone to be careful, because it was going to be slick outside and watch for slips, trips, and falls.

February 12 – Kyle Clevenger, Manager of Operations, updated everyone on the meter readings and went over some of the items that were discussed in the recent Storm Coordinators meeting. He explained that this meeting will now be conducted during one of our safety meetings during the year commencing in 2019. Kyle requested that everyone be careful, as it is dangerous doing meter readings and to have a safe day.

SAFETY REPORT  
(CONTINUED)

February 21 – Carol Ann Fraley, President and CEO, turned the meeting over to Tony Dempsey for KAEC’s monthly safety meeting. He discussed an accident that Owen Coop had on January 20, 2017 regarding a large tree that fell on the line and while trying to get it off it came back and hit the lineman in the shoulder. Carol Ann and Tony went over new goals that the Federated has suggested to help reduce our TCIR, DART, and LTR by 2020 and eliminate employee contacts. Randolph Brewer was presented a Certificate of Completion of Apprenticeship and Justin Staniford was moved to 4<sup>th</sup> Class Lineman. Carol Ann issued all employees their incentive check for No Loss Time Accidents for 2017.

February 26 – Mike Martin, Assistant Manager of Operations, turned the meeting over to Carol Hall Fraley, President and CEO, who discussed electrical inspections: rough-in’s, not for occupancy, and final inspections. She also went over meters in residences, bad meter poles, right-of-way easements and sewer stickers. Kyle Clevenger explained to everyone that it will still be wet this week and remember to watch for slips, trips and falls, along with high water and broken roads.

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

The Construction Department built one hundred twelve (112) new work orders for the month of February and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked two hundred eighty-three (283) hours of overtime during the month of February 2018 and the Engineering Department worked zero (0) hours of overtime. Work order overtime hours worked by maintenance was eighty-seven (87).

DELINQUENT NOTICES

There were 194 delinquents for March. Eighty-five (85) cards were issued to be disconnected and 7 accounts were disconnected by remote meter on March 7 for cycle 1. Eighty-two (82) cards were issued to be disconnected and 20 accounts were disconnected by remote meter on March 14 for cycle 2. Field personnel disconnected a total of 19 meters and a total of 15 meters were reconnected by field personnel and remote.

CONTRACT CREWS

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

Tony Seagraves – Cains Creek in Lawrence County  
Bob Marrow – random pole changes in all counties; small job on Bauer Road off US 60 West

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 590 trees, cut 1,077 trees and cut 38,550 feet of brush/line. The crews are working in the following areas:

2 cutting crews in Carter, Lewis and Greenup Counties  
2 cutting crews in Lawrence County  
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 Lawrence County



RIGHT-OF-WAY CREWS  
(CONTINUED) Smith Tree Service – circuit crew finished up on Ruin on ST RT 755 in Elliott County and now going forward to Isonville

ENGINEERING REPORT The Engineering Department released seventy-one (71) prints consisting of 555 feet of primary line and 1,020 feet of service wire. They currently have three (3) new services to be staked and three (3) to be drawn. They have approximately eleven (11) miscellaneous jobs to be staked or drawn.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve ninety-one (91) new memberships and retirement of ninety (90) existing memberships for February 2018.

BAD DEBT WRITE-OFFS Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to charge off \$4,106.67 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 \$696.60, Director's business expenses of \$10,596.03 and Attorney's business expense of \$254.78.

SCHOLARSHIPS Chairman Dupuy and President Fraley presented ten scholarships to the following recipients:

Aisha Al-Sawafi from West Carter High School  
Parker Ball from Raceland-Worthington High School  
Conner Barker from Rowan County High School  
Shannon Mabry from West Carter High School  
Haley Nyderek from Greenup County High School  
Erin Rice from Greenup County High School  
Baylor Ruark from Greenup County High School  
Heather Smith from Elliott County High School  
Sydney Sturgill from Elliott County High School  
Abigail Yates from Elliott County High School

The Board and employees had lunch with the scholarship winners and their parents.

THANK YOU We received a thank you letter from Rowan County High School for Project Prom.

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

Elliott County Conservation – 4 <sup>th</sup> grade annual field trip	\$ 50
28 <sup>th</sup> Annual Shriners Bluegrass Festival – sponsorship	\$250
Rudy Fest – sponsorship	\$275
Halderman Community Center	\$200
Grayson Area Little League – co-sponsorship with EKPC	\$400
	\$1,175

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

MEETING REPORTS	Director Trent reported there was a good crowd at the NRECA Annual Meeting this year in Nashville, Tennessee.
BOARD MEETING DATE	The April Board Meeting is scheduled for Monday, April 27, 2018.
ADDITIONAL BUSINESS	Director Arrington thanked Director Martin and Chairman Dupuy for doing a good job.  Jeromy Poling has been in hospital with pancreatitis.  Peggy Skaggs is having issues with her right side of her body.
ADJOURN	Chairman Dupuy adjourned the meeting at 11:45 a.m. A luncheon followed with our Scholarship Winners and their parents.

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Harold L. 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

February 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
2/26/18	173861	2018 KAEC Manager Association Dues	\$300.00
3/05/18	173941	Visa:	
		*1/22 staff meeting – meal	\$14.02
		*1/31 working through lunch– meal	\$12.51
		Total Expenses	\$326.53
*prorated expense			





## DIRECTORS & ATTORNEY EXPENSES

February-18

### KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (2/23)	\$ 343.60
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 981.72</b>

### JIM BENTLEY

Per Diem	- GRECC Bd. Mtg. (2/23)	\$ 301.09
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 939.80</b>

### HAROLD DUPUY

Per Diem	- GRECC Bd. Mtg. (2/23)	\$ 332.70
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 971.03</b>

### EDDIE MARTN

Per Diem	- GRECC Bd. Mtg. (2/23)	\$ 308.72
MISC	-	-
VISA	-	-
	Cash in Lieu of Insurance	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 947.43</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (2/23)	\$ 321.80
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 959.92</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (2/23)	\$ 338.15
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 976.27</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (1/31); GRECC Bd. Mtg. (2/23)	\$ 763.50
<b>MISC</b>	-	-
<b>VISA</b>	- CFC Financial Workshop	155.53
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,557.74</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- Postage - PSC Case (South Ky)	24.70
<b>Excess Hrs</b>	- (5 hrs) PSC Case (South Ky)	1,000.00
	(5.75) Misc. Hours	1,150.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 2,174.70</u>























# Grayson Rural Electric Financial Report

2018 Board Materials  
295 of 882

April 27, 2018

## At A Glance....

February

<u>kWh Sales (2/01 - 2/28)</u>		<u>Margins</u>	
Month	-5.49%	Month \$	177,209.52
YTD	7.57%	YTD \$	750,375.00
<u>kWh Purchases (2/01 - 2/28)</u>		<u>OTIER</u>	
Month	-5.69%	Month	3.03
YTD	7.47%	YTD	5.23
<u>Line Loss</u>			
Month	4.89%		
YTD	5.87%		

Fuel Adjustment      0.007926

ESC                              6.36%

Degree Days                      561

Heating Degree Days      554

Cooling Degree Days      7

### Notes:

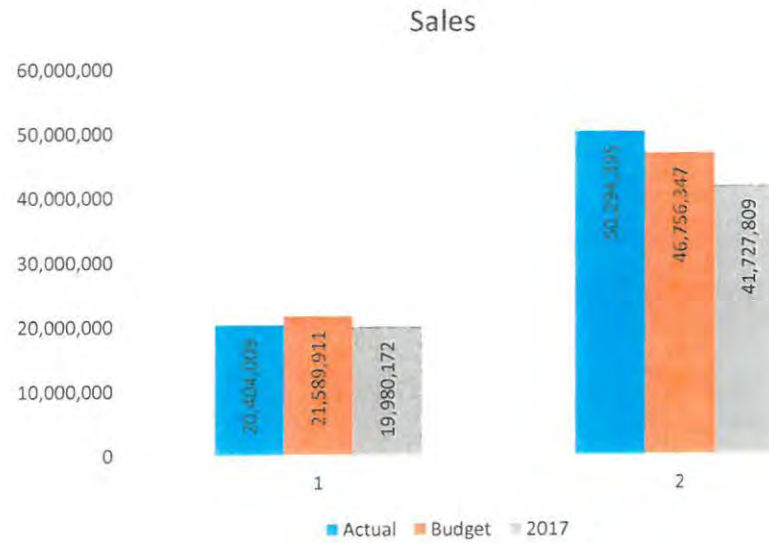
- Capital Credits
- CFC
-



**Sales**

**February**

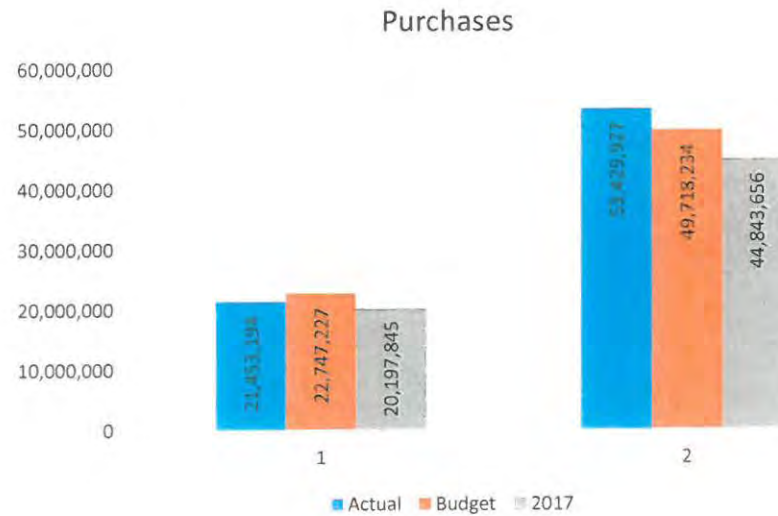
	2018	2017	2017-2015
Actual	20,404,009	19,980,172	21,055,679
Budget	21,589,911		
Difference	(1,185,902) -5.49%	423,837 2.12%	(651,670) -3.09%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	50,294,395	41,727,809	47,621,120
Budget	46,756,347		
Difference	3,538,048	8,566,586	2,673,275
% Difference	7.57%	20.53%	5.61%



**Purchases**

**February**

	2018	2017	2017-2015
Actual	21,453,194	20,197,845	25,399,459
Budget	22,747,227		
Difference	(1,294,033) -5.69%	1,255,349 6.22%	(3,946,265) -15.54%
<hr/>			
	YTD-2018	YTD-2016	YTD-Prev 3
Actual	53,429,927	44,843,656	53,975,964
Budget	49,718,234		
Difference	3,711,693	8,586,271	(546,037)
% Difference	7.47%	19.15%	-1.01%





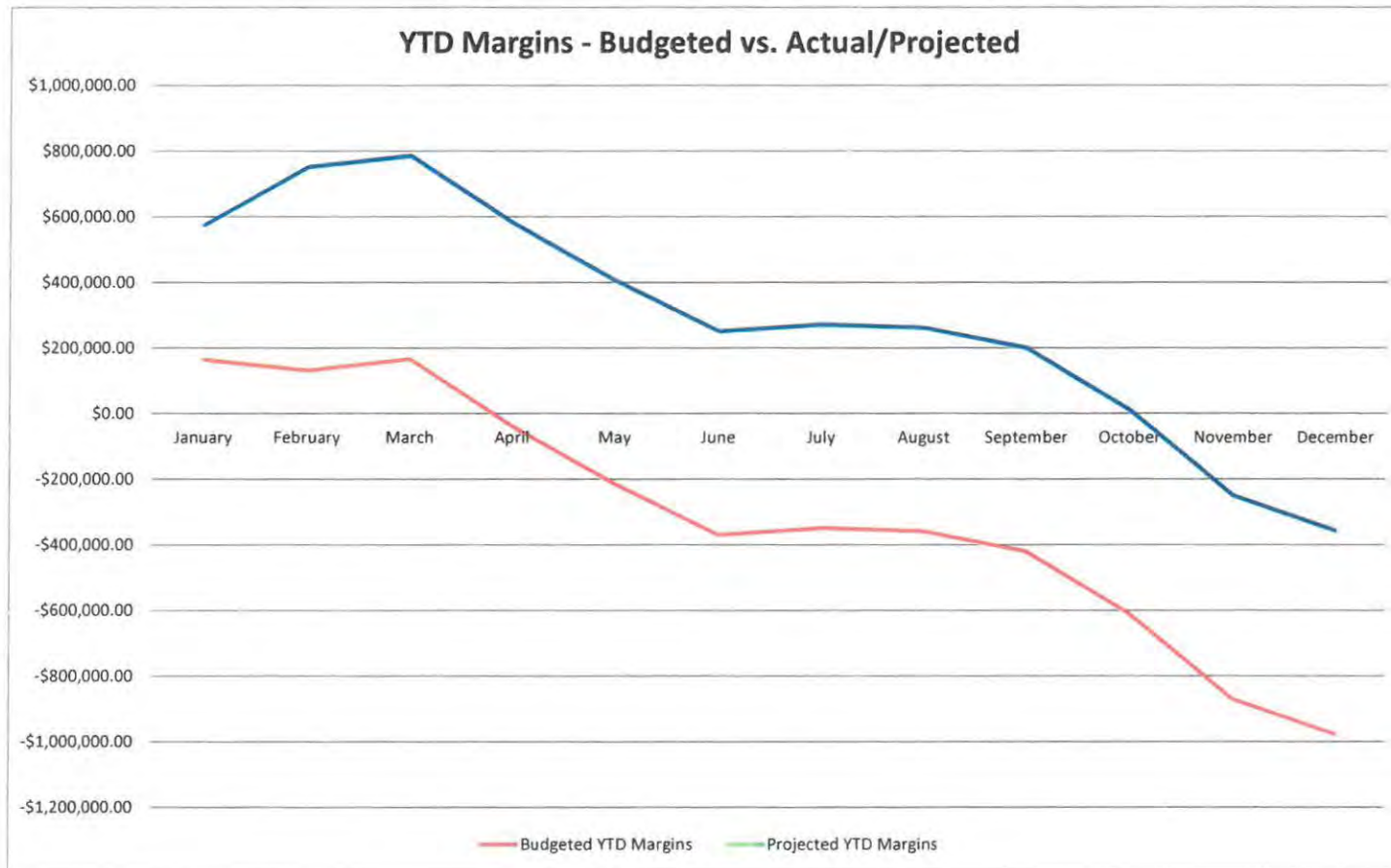


Monthly Operating Revenue & Expenses

	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018
Revenue	(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)	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,842)
Purchased Power	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	1,484,948	1,906,642	2,216,790	1,591,359
Gross Margins	(1,052,954)	(612,007)	(870,423)	(1,071,075)	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)
Operations	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137
Maintenance	260,849	318,113	286,651	287,387	303,369	303,369	354,631	250,089	246,528	253,612	270,469	258,693	251,197
Customer Service	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141
Informational Advertising	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990
Demonstration Advertising	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915
Admin & General	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850
Depreciation	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961
Regulatory	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423
Interest - LTD	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196
Interest - Deposits	665	663	665	677	671	668	670	671	668	664	593	1,408	1,396
Miscellaneous Expense	2,889	1,099	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036
Interest Income	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)
Non-Electric Revenue	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47
Capital Credits	-	(53,470)	-	-	(524)	-	-	(33,801)	-	-	-	-	(2,354)
Margins	(72,896)	402,230	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,165)	(177,210)
* ( )'s = positive margins													
Operating Expenses	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	1,034,099	943,985	1,092,938	1,043,244
Monthly OTIER	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03
Revenue	(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)	(27,304,343)	(27,461,142)	(28,598,002)	(28,938,512)
Purchased Power	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	17,085,873	17,151,603	17,616,913	17,796,694
Gross Margins	(12,598,011)	(12,301,354)	(12,416,358)	(12,373,336)	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)
Operations	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	1,312,520	1,299,965	1,328,118	1,347,602
Maintenance	3,472,954	3,400,630	3,360,269	3,315,246	3,295,574	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536
Customer Service	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	1,012,461	1,070,976	1,078,542	1,081,421
Informational Advertising	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272
Demonstration Advertising	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,766	22,039
Admin & General	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	1,978,857	1,955,130	1,957,256	1,961,741
Depreciation	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	3,464,381	3,477,092	3,489,397	3,501,849
Regulatory	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743	42,410	41,074	41,108	41,142
Interest - LTD	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553	996,207
Interest - Deposits	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,683	9,414
Miscellaneous Expense	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148	35,746	39,893
Interest Income	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)
Non-Electric Revenue	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)
Capital Credits	(136,192)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(62,937)	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)	(80,149)
Margins	(446,589)	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615
Operating Expense	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	12,530,434	12,574,553	12,574,792	12,626,118
Rolling 12 Month OTIER	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)



	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$0.00	\$34,628.23			\$163,939.69		\$785,003.23
April	\$0.00	-\$203,632.77			-\$39,693.08		\$581,370.46
May	\$0.00	-\$176,183.77			-\$215,876.85		\$405,186.69
June	\$0.00	-\$155,336.77			-\$371,213.62		\$249,849.92
July	\$0.00	\$20,126.23			-\$351,087.39		\$269,976.15
August	\$0.00	-\$9,898.77			-\$360,986.16		\$260,077.38
September	\$0.00	-\$60,686.77			-\$421,672.93		\$199,390.61
October	\$0.00	-\$189,227.77			-\$610,900.70		\$10,162.84
November	\$0.00	-\$260,909.77			-\$871,810.47		-\$250,746.93
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$358,113.34





## Margins/Tier

### February

	2018	2017	2017-2015
Revenue	(2,807,042)	(2,464,532)	(2,634,385)
Purchase Power	1,591,359	1,411,578	1,781,847
<i>Gross Margins</i>	(1,215,683)	(1,052,954)	(852,538)
Operating Expenses	1,043,244	992,918	1,011,588
Margins	(177,210)	(72,896)	141,321
OTIER	3.03	1.99	(0.87)

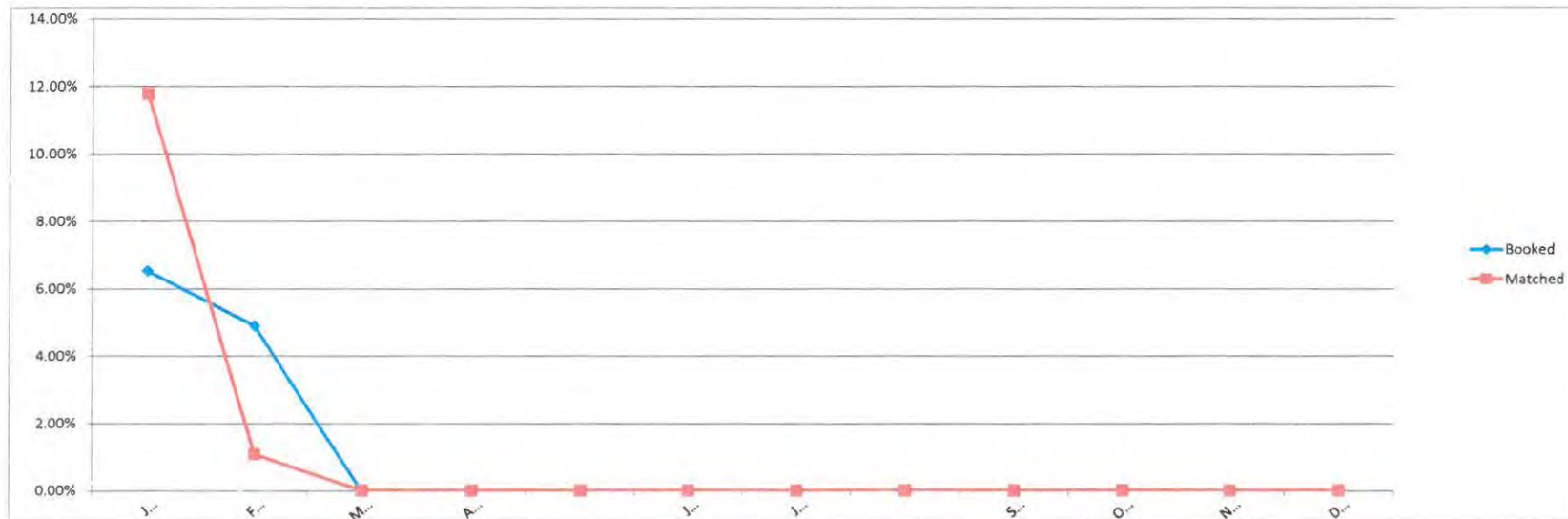
### Year to Date

	2018	2017	2017-2015
Revenue	(6,689,002)	(5,211,632)	(5,968,554)
Purchase Power	3,808,149	3,163,058	3,751,355
<i>Gross Margins</i>	(2,880,853)	(2,048,574)	(2,217,199)
Operating Expenses	2,136,182	2,085,617	2,091,264
Margins	(750,375)	20,494	(133,211)
OTIER	5.23	0.87	1.86





2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>	29,890,386.00	20,404,009.00											
<b>2017</b>	21,747,637.00	19,980,172.00											
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00											53,429,927.00
<b>2017</b>	24,645,811.00	20,197,845.00											44,843,656.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,135,532.00
<b>2017</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>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.87%
<b>2017</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!	5.83%







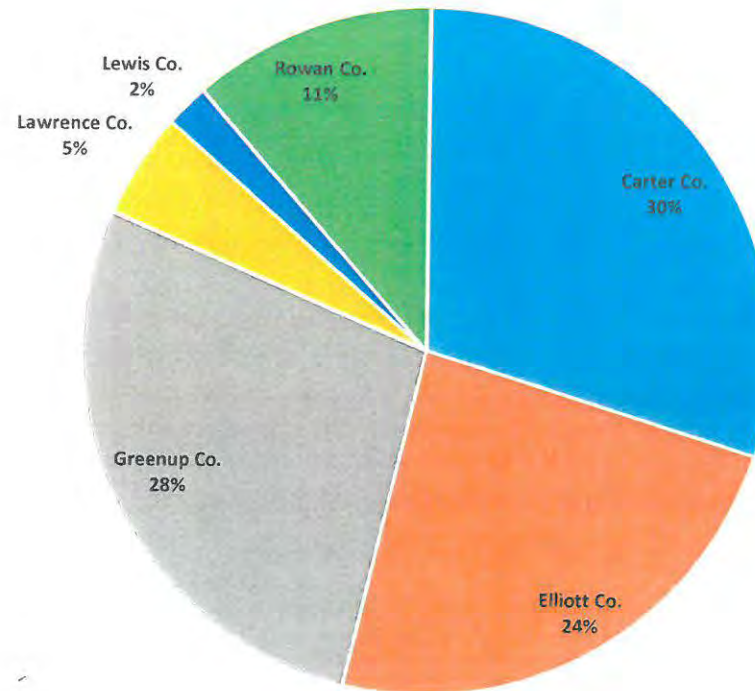
2018 February Bill				2017 February Corresponding Dates			2017 February Bill				
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Feb	41	24	0	19	0	46	1-Feb	21-Feb	60	5	0
2-Feb	23	42	0	29	0	36	2-Feb	22-Feb	56	9	0
3-Feb	27	38	0	37	0	28	3-Feb	23-Feb	58	7	0
4-Feb	36	29	0	40	0	25	4-Feb	24-Feb	66	0	1
5-Feb	25	40	0	22	0	43	5-Feb	25-Feb	51	14	0
6-Feb	29	36	0	18	0	47	6-Feb	26-Feb	37	28	0
7-Feb	31	34	0	1	0	64	7-Feb	27-Feb	42	23	0
8-Feb	32	33	0	19	0	46	8-Feb	28-Feb	48	17	0
9-Feb	41	24	0	38	0	27	9-Feb	1-Mar	57	8	0
10-Feb	49	16	0	29	0	36	10-Feb	2-Mar	41	24	0
11-Feb	50	15	0	4	0	61	11-Feb	3-Mar	34	31	0
12-Feb	36	29	0	9	0	56	12-Feb	4-Mar	31	34	0
13-Feb	39	26	0	24	0	41	13-Feb	5-Mar	48	17	0
14-Feb	54	11	0	23	0	42	14-Feb	6-Mar	56	9	0
15-Feb	66	0	1	25	0	40	15-Feb	7-Mar	55	10	0
16-Feb	54	11	0	28	0	37	16-Feb	8-Mar	51	14	0
17-Feb	37	28	0	14	0	51	17-Feb	9-Mar	56	9	0
18-Feb	44	21	0	10	0	55	18-Feb	10-Mar	45	20	0
19-Feb	56	9	0	18	0	47	19-Feb	11-Mar	30	35	0
20-Feb	71	0	6	14	0	51	20-Feb	12-Mar	32	33	0
21-Feb	63	2	0	5	0	60	21-Feb	13-Mar	42	23	0
22-Feb	47	18	0	9	0	56	22-Feb	14-Mar	27	38	0
23-Feb	61	4	0	7	0	58	23-Feb	15-Mar	26	39	0
24-Feb	60	5	0	0	1	66	24-Feb	16-Mar	32	33	0
25-Feb	55	10	0	14	0	51	25-Feb	17-Mar	31	34	0
26-Feb	47	18	0	28	0	37	26-Feb	18-Mar	49	16	0
27-Feb	46	19	0	23	0	42	27-Feb	19-Mar	40	25	0
28-Feb	53	12	0	17	0	48	28-Feb	20-Mar	41	24	0
	45.5	554	7	524	1	46.3		44.4	579	1	
		561		525					580		



**Bills by County**

	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17
Carter Co.	4,591	4,590	4,585	4,618	4,572		4,607	4,584	4,588	4,587	4,565	4,579	4,573
Elliott Co.	3,668	3,666	3,646	3,671	3,662		3,686	3,666	3,665	3,642	3,638	3,640	3,668
Greenup Co.	4,280	4,281	4,286	4,339	4,319		4,368	4,357	4,352	4,334	4,342	4,300	4,323
Lawrence Co.	768	774	780	785	774		782	773	781	776	779	774	777
Lewis Co.	317	313	316	312	316		313	315	311	311	313	310	310
Rowan Co.	1,761	1,765	1,777	1,790	1,770		1,771	1,763	1,755	1,757	1,752	1,743	1,751
	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346	15,402

**# of Bills  
February 2018**





Carter Co.



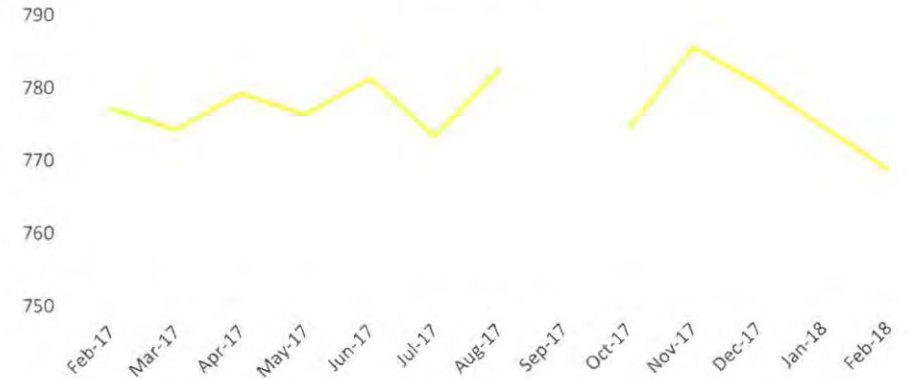
Elliott Co.



Greenup Co.



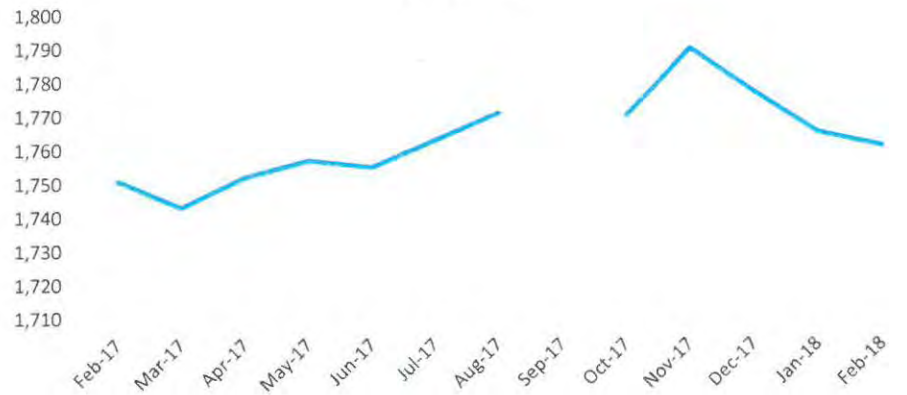
Lawrence Co.



Lewis Co.



Rowan Co.





**FEBRUARY 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		43		608.23	(608.23)	
100	NEW LINE EXTENSIONS		11		56,463.01	56,463.01	5,133.00
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		7,377.92	7,377.92	3,688.96
603	SECTIONALIZERS		3		5,210.95	5,210.95	
604	REGULATORS						
606	POLES		33	POLES	118,889.59	118,889.59	3,602.71
701	SECURITY LIGHTS		33		23,649.81	23,649.81	716.66
1600	MINOR PROJECTS		3		3,687.15	3,687.15	
	TOTAL		121		<b>215,886.66</b>	<b>214,670.20</b>	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	96		16,992.00	16,992.00	177.00
	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	2		38,594.50	38,594.50	19,297.25
	TOTAL		98		<b>55,586.50</b>	<b>55,586.50</b>	
	MATERIAL				<b>48,401.62</b>		
	MATERIAL OH				<b>40,288.34</b>		
	LABOR				<b>11,839.41</b>		
	LABOR OH				<b>45,340.47</b>		





## REVENUE SUMMARY FEBRUARY 2018

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 347,538.30	\$ 13,967.85	\$ 5,471.79	\$ 13.75	\$ 2,331.20	\$ 36,179.31	\$ 405,502.20	\$ 16,399.15	\$ -
Class 11 (Non-Electric House)	\$ 310,628.76	\$ 12,428.82	\$ 10,200.91	\$ 24.75	\$ 962.32	\$ 32,760.16	\$ 367,005.72	\$ 10,660.15	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 68,372.61	\$ 2,648.43	\$ 1,495.59	\$ 5.50	\$ 582.10	\$ 7,151.56	\$ 80,255.79	\$ 2,748.40	\$ -
Class 14 (All Electric House)	\$ 898,201.03	\$ 37,270.73	\$ 18,247.06	\$ 74.25	\$ 2,441.25	\$ 93,755.30	\$ 1,049,989.62	\$ 30,981.44	\$ 19
Class 61 (Security Light)	\$ -	\$ 45.62	\$ 1,346.66	\$ 2.75	\$ -	\$ 136.42	\$ 1,531.45	\$ 23.68	\$ 3
<b>44010 TOTALS</b>	<b>\$ 1,624,740.70</b>	<b>\$ 66,361.45</b>	<b>\$ 36,762.01</b>	<b>\$ 121.00</b>	<b>\$ 6,316.87</b>	<b>\$ 169,982.75</b>	<b>\$ 1,904,284.78</b>	<b>\$ 60,812.82</b>	<b>\$ 23</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 20,090.09	\$ 484.99	\$ 461.42	\$ -	\$ 9.66	\$ 2,065.11	\$ 23,111.27	\$ 675.24	\$ 8
Class 15 (Camps)	\$ 16,569.09	\$ 355.09	\$ 263.78	\$ -	\$ 56.98	\$ 1,689.07	\$ 18,934.01	\$ 971.65	\$ 14
Class 16 (Barns)	\$ 20,137.63	\$ 403.16	\$ 692.41	\$ -	\$ 14.66	\$ 2,083.79	\$ 23,331.65	\$ 871.92	\$ 6
Class 17 (Garages, Out-buildings)	\$ 40,238.72	\$ 853.87	\$ 1,050.94	\$ -	\$ 58.73	\$ 4,135.85	\$ 46,338.11	\$ 990.24	\$ 153
Class 18 (Meters on Poles)	\$ 6,465.30	\$ 133.57	\$ 202.60	\$ -	\$ 9.33	\$ 667.69	\$ 7,478.49	\$ 286.10	\$ 35
Class 19 (Un-Inhabitable Houses)	\$ 850.73	\$ 13.16	\$ 39.09	\$ -	\$ -	\$ 88.60	\$ 991.58	\$ 16.55	\$ -
Class 20 (Miscellaneous)	\$ 1,406.26	\$ 28.24	\$ 47.73	\$ -	\$ 9.33	\$ 146.49	\$ 1,638.05	\$ 43.55	\$ -
<b>44040 TOTALS</b>	<b>\$ 105,757.82</b>	<b>\$ 2,272.08</b>	<b>\$ 2,757.97</b>	<b>\$ -</b>	<b>\$ 158.69</b>	<b>\$ 10,876.60</b>	<b>\$ 121,823.16</b>	<b>\$ 3,855.25</b>	<b>\$ 218</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 151,333.30	\$ 5,995.21	\$ 3,470.22	\$ 5.50	\$ -	\$ 15,774.63	\$ 176,578.86	\$ 5,981.84	\$ 7,301.3
Class 26 (Security Light)	\$ -	\$ 9.92	\$ 293.05	\$ -	\$ -	\$ 29.71	\$ 332.68	\$ 8.02	\$ 16
Class 28 (Churches)	\$ 21,092.02	\$ 839.10	\$ 1,570.44	\$ -	\$ -	\$ 2,305.51	\$ 25,807.07	\$ 185.74	\$ 536
<b>44210 TOTALS</b>	<b>\$ 172,425.32</b>	<b>\$ 6,844.23</b>	<b>\$ 5,333.71</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 18,109.85</b>	<b>\$ 202,718.61</b>	<b>\$ 6,175.60</b>	<b>\$ 7,854.4</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 182,593.02	\$ 9,141.76	\$ 988.28	\$ -	\$ -	\$ 18,906.10	\$ 211,629.16	\$ 6,110.45	\$ 7,566.6
Class 47 (Pumping Station)	\$ 62.58	\$ 0.78	\$ -	\$ -	\$ -	\$ 6.22	\$ 69.58	\$ -	\$ 4.1
Class 79 (All Electric School)	\$ 36,466.62	\$ 1,840.53	\$ 476.00	\$ -	\$ -	\$ 3,804.62	\$ 42,587.77	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 219,122.22</b>	<b>\$ 10,983.07</b>	<b>\$ 1,464.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,716.94</b>	<b>\$ 254,286.51</b>	<b>\$ 6,110.45</b>	<b>\$ 7,570.8</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison)	\$ 170,905.09	\$ 11,845.03	\$ 28.94	\$ -	\$ -	\$ 17,719.42	\$ 200,498.48	\$ -	\$ 8,169.4
<b>44230 TOTALS</b>	<b>\$ 170,905.09</b>	<b>\$ 11,845.03</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,719.42</b>	<b>\$ 200,498.48</b>	<b>\$ -</b>	<b>\$ 8,169.4</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ 19.29	\$ 599.69	\$ -	\$ -	\$ 60.72	\$ 679.70	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ 19.29</b>	<b>\$ 599.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60.72</b>	<b>\$ 679.70</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,292,951.15</b>	<b>\$ 98,325.15</b>	<b>\$ 46,946.60</b>	<b>\$ 126.50</b>	<b>\$ 6,475.56</b>	<b>\$ 239,466.28</b>	<b>\$ 2,684,291.24</b>	<b>\$ 76,954.12</b>	<b>\$ 23,836.8</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,845,386.16</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 21, 2018

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 25, 2018 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 21, 2018

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-fifth day of May 2018 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 May 25, 2018 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 April 2018 Board Meeting
4. Approval of the Minutes from the May 10, 2018 Organizational Board Meeting
5. President's Report – Carol Hall Fraley
6. KAEC Director's Report – Jimmy Whitt
7. EKPC Director's Report – Kenneth Arrington
8. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for March 2018 – Bradley Cherry, Manager of Finance & Accounting
9. Cooperative Legal Matters – W. Jeffrey Scott
10. Manager of Technical Services Report – Brian Poling
11. Manager of Marketing & Member Services Report – Kim Bush
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of Seventy-Seven (77) New Memberships and Retirement of Eighty-Three (83) Existing Memberships for March 2018
14. Consider Approval of Accounts to be Charged Off to Reserve \$7,777.79
15. Consider Approval of President's Business Expense in the Amount of \$31.00, Director's Business Expense in the Amount of \$17,138.58 and Attorney's Business Expense in the Amount of \$6,269.00
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Date for Future Board Meeting – Friday, June 22, 2018
20. Additional Business
21. Adjourn





On May 10, 2018, 6:33 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: Carol Hall Fraley, President and CEO; Brandon Music, Legal Counsel; and Priscilla Sparks, Executive Assistant.

CHAIRMAN	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 Music to conduct the election of officers.
ELECTION OF OFFICERS	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 Trent. Motion was carried unanimously.
ANNUAL MEETING	President Fraley asked the Board for any suggestions or changes to the annual meeting, as well as possible ways to keep more members for the business portion of the meeting. The Board discussed some ideas, but was overall satisfied with the way the meeting was.
ADJOURNMENT	Motion was made by Chairman Dupuy to adjourn the meeting at 6:53 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

---

Brandon Music, Legal Counsel



On April 27, 2018 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 present. Others present included: W. Jeffrey Scott, Legal Counsel; Carol Hall Fraley, President and CEO; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the minutes from the March 2018 Board Meeting.
PRESIDENT'S REPORT	President Fraley reported on the following:
FRONT PORCH	The front porch is just about finished and looks good. The weather has held up work. The blacktop may not be finished by annual meeting due to rain.
MANAGER'S MEETING	President Fraley attended the KAEC Managers Meeting in Lexington, KY April 25 <sup>th</sup> . They discussed the impact of the latest legislative session, heard a report on NRECA Programs and heard from a representative of Kentucky Farm Bureau regarding international crop sales and how our trade with foreign countries could be affected.
METERS UNDER WATER	Letters were emailed to Legal Counsel Scott regarding meters that are under water. Several have complied with our request to put their meters at the top of a twenty five foot pole. They have been given until May for corrections to be made.
EKPC REBATES	<p>EKP has curtailed their incentives on high efficiency air to air heat pumps, the Button-up program, and other programs. If we need someone from EKP to trouble shot a problem for us, the cost is \$400 a day. This changes the nature of Tina's job. She will be assisting in the Member Services Department three days a week and will go out in the field two days a week for energy audits and high bill complaints, as necessary.</p> <p>Kim is teaching Julie how to balance at the end of the day and assist her with other duties, as she will be having knee surgery in May.</p>
EKPC ANNUAL MEETING	June 5 <sup>th</sup> , 2018 is EKPC'S Annual Meeting. Roger Trent will be voting Representative and Harold Dupuy will be the Alternative Representative.
CLARK ENERGY	We received a letter from Clark Energy expressing appreciation for Richard Easton, Tony Brewer, Shane McDavid and Bryan Rogers for helping with storm work last month.
CFC INTEGRITY FUND	A letter was received from CFC thanking GRECC for donating 5% of our CFC patronage capital retirement to the Integrity Fund for 2018.
KAEC DIRECTOR'S REPORT	Director Whitt reported there was no KAEC monthly board meeting this month.
EKPC DIRECTOR'S REPORT	Director Arrington reported the following on the EKPC Board Meeting this month:

EKPC DIRECTOR'S REPORT  
(CONTINUED)

- EKPC is going back to basics to keep the program fresh. To do that EKP will again survey employees to see what the organization is doing right and identify opportunities for improvement. Thirty-eight percent of current employees were not working at EKPC when the first survey was conducted.
- One million ton of gravel was purchased for Cooper and Spurlock plants.
- 2017 was the worst safety year of the previous three with an OSHA Recordable Rate of 2.80 and 20 injury accidents. Currently through the end of March, there have been zero injuries incidents this year.
- The Board authorized a wastewater treatment system contract for the CCR/ELG compliance project. The project is subject to approval of the KY PSC, and it includes a new handling system for bottom ash and fly ash from Spurlock Units #1 and #2, a wastewater treatment system, closure of the plant's ash pond and establishment of a smaller pond.
- The Board also authorized an engineering services contract for a backup fuel oil system at Bluegrass Station to ensure the plant can continue operating if natural gas is not available. The project is subject to approval from the PSC and will cost several million dollars.
- Denver York updated the Board on NERC compliances.
- Barry Mayfield said there is a chance that House Bill 227, Net Metering Bill, could be passed by the Senate in Frankfort.
- Mike McNalley reported that February's \$11.3 million margin was slightly less than budget due to mild weather reducing sales. But that was primarily offset by lower fixed cost and O&M expenses. Cost to Member Systems was over budget for the month at \$71.73 per megawatt-hour because of high fuel prices and power purchases from early in the year, but EKPC expects these costs to even out as the year progresses. Other financial metrics are sound. The year-to-date margin through February was \$29.4 million.
- EKP's cost of service presentation reviewed strategies used to realize significant savings including joining PJM, refinancing debt, purchasing higher sulfur coal and holding head count steady. One result is that EKPC has become cost competitive with investor-owned utilities.
- Board accepted 2017 Independent Audit Report.

FINANCIAL & STATISTICAL  
REPORT FOR JANUARY 2018

Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for February 2018:

SALES AND PURCHASES

Kilowatt hour sales for the month of February (2/1-2/28) were 5.49% under budget. Purchases for the month of February (2/1-2/28) were 5.69% under budget. Line loss for the last twelve months was 5.87%. Year to date margins were \$750,375 compared to the budgeted amount of \$129,311.

FUEL ADJUSTMENT

The fuel adjustment for January was 0.007926.

ESC

The environmental surcharge was 6.36%.

DEGREE DAYS

There were 561 degree days; 554 heating degree days and 7 cooling degree days.

T.I.E.R

February 2018's monthly O.T.I.E.R. was 3.03 with the rolling 12 month O.T.I.E.R. of 5.23.

BILLS BY COUNTY

There were 15,385 bills produced for January 2018. Bills per county were Carter 4,591, Elliott 3,668, Greenup 4,280, Lawrence 768, Lewis 317 and Rowan 1,761. Counties are about the same.

RATE CASE

Jim Adkins and Allen Zumstein met with President Fraley and Bradley last week and gave a preliminary report on what is needed for the rate case and what we may be looking at in the rate case. President Fraley asked them to clearly define:

- what each class was using and the costs associated with each class
- look at churches with high demand
- look at 400 amp residential services compared to 200 amp services
- look at the customer charge and keep as much as we can off of our residential
- look at camps, barns, leisure type situations such as recreational
- holding power in reserve; example – consumers that have other heat options
- do not burden small commercials and large powers, but put costs where they incur
- make a decision on the amount of revenue we actually need and the length of solvency without going in for another increase
- President Fraley explained the classifications and said we need to add new and different categories.
- The study will take two months to do; another month for the Board to analyze the study; number of miles of lines, terrain, number of employees, etc. The amount of consumers per mile is now 8 instead of 5; according to our meter reading program.

Expenses were down \$3 million since 2015, but our revenue was down \$4 million.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR FEBRUARY 2018

Motion was made by Director Whitt, seconded by Director Bentley and unanimously agreed to approve the Financial and Statistical Report for February 2018, as presented for informational purposes only.

CFC LINE OF CREDIT

Mr. Cherry presented to the Board a renewal of the Revolving Line of Credit with CFC for one million dollars revolving credit. Legal Counsel Scott reviewed the agreement and paper work and did a Letter of Opinion of Counsel.

GO TO PAGE 4

CFC LINE OF CREDIT  
(CONTINUED)

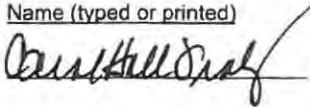
**CERTIFICATE OF RESOLUTIONS AND INCUMBENCY**

I, Billy E. "Eddie" Martin do hereby certify that (i) I am the Secretary of Grayson Rural Electric Cooperative Corporation (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on 04/27/2018; (iii) the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$4,200,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,


RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the Line of Credit Agreement.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
President + CEO	
_____	_____
_____	_____
_____	_____

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Cooperative this 27<sup>th</sup> day of April, 2018

(SEAL)

  
Secretary

CFC INCUMB  
KY061-R-5111(BURDICM)  
223785-1

GO TO PAGE 5

CFC LINE OF CREDIT  
(CONTINUED)

14

shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

**Section 8.15 Binding Effect.** This Agreement shall become effective when it shall have been executed by both the Borrower and CFC and thereafter shall be binding upon and inure to the benefit of the Borrower and CFC and their respective successors and assigns.

**Section 8.16 Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

**Section 8.17 Schedule 1.** Schedule 1 attached hereto is an integral part of this Agreement.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

(SEAL)

By: *Corey Hill*  
Title: *President + CEO*

Attest: *[Signature]*  
Secretary

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION

(SEAL)

By: \_\_\_\_\_  
Assistant Secretary-Treasurer

Attest: \_\_\_\_\_  
Assistant Secretary-Treasurer

Effective Date: \_\_\_\_\_ (to be filled in by CFC)

Loan Number: KY061-R-5111

CFC LOCAGMT  
KY061-R-5111(BURDICM)  
223782-1



CFC LINE OF CREDIT  
(CONTINUED) Motion was made to renew the Revolving Line of Credit with CFC for one million dollars revolving credit by Director Trent, seconded by Director Whitt and unanimously agreed upon.

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

LEGAL COUNSEL CONTRACT Chairman Dupuy asked Legal Counsel Scott to read his contract to the Board, as was agreed upon at the March 27, 2018 Board meeting. The agreement is made and entered into the 27<sup>th</sup> day of April 2018 to commence February 1, 2018 and expire January 31, 2019.

Motion was made to accept Legal Counsel, W. Jeffrey Scott's contract by Director Martin, seconded by Director Trent and unanimously agreed upon.

ATTORNEY'S REPORT Legal Counsel Scott read the Attorney Report for April 2018, covering several discussions, document preparation, review of documents and filing of documents with the KY PSC in connection with the South Kentucky RECC application. President Fraley's testimony was prepared and filed with the PSC.

SOUTH KENTUCKY RECC The South Kentucky RECC hearing will be at the PSC on May 15<sup>th</sup> and 16<sup>th</sup>, 2018. Grayson's position is to point out that we have a right to the use of an alternate source the same as any other distribution cooperative. The Attorney General's office has intervened as have nearly all of the distribution cooperatives and East Kentucky Power.

Director Arrington asked about Mark Stallons' filing. He has pre-filed testimonies for Owen Electric and Shelby Energy. Owen Electric possibly found out about SKRECC filing in November. Owen reported to their Board in December that South Kentucky was going to be asking for the 58 megawatts. Owen noticed their request for 60 megawatts. Several others will file by the February Board Meeting. Most likely Owen did this for a defensive measure. A question to Stallons testimony was, "did any other coop request megawatts previously" and he did not name Grayson. This was one reason Carol Ann's testimony was filed. In 2012 GRECC asked for the same thing with Morgan Stanley.

Director Arrington questioned how South Kentucky made a contract with Morgan Stanley. South Kentucky said they could under Amendment 3, the Wholesale Power Contract, we can get 15% of power, as long as it does not exceed 5% of EKP production. Tony Campbell said he always implicated that no one buys off system power. Their formal testimony to SK is no by EKP.

Legal Counsels Brandon Music and Jeffrey Scott, President Carol Fraley and Bradley Cherry will be at the May 15, 2018 hearing. The SK contract has to be approved by May 31.

NATHAN WHITT Talked to Park Priest regarding the Nathan Whitt case, which is ongoing although no suit has actually been filed. Federated Rural Electric Insurance is providing the defense of this case and has expended much time, effort and money in trying to litigate it.



RIGHT-OF-WAY EASEMENTS Met with Kim Bush, Sherry Conley and Bradley Cherry regarding easements. Several easements have been reviewed, executed and recorded in the various County Clerk's offices during April. The recording fee is \$17 per easement and has resulted in over \$1,000 in recording fees.

BALLARD RAY, CONSUMER Had a long telephone conference with Mr. Ballard Ray concerning an easement. He is a landlord who doesn't want to grant an easement for his tenant. Rosemary Tuttle with the Public Service Commission told Mr. Ray he had to sign the right-of-way easement.

ADVANCED METERING INFRASTRUCTURE SYSTEM Review an Order from the Commission on our advanced metering infrastructure system and prepared a Notice of Filing Amended Petition to refile the Petition without any redacted material. The Commission had denied our request for confidential treatment of some of the material so we refiled without the confidentiality request last Friday.

The past 2 months, costs to member systems has been \$68 or more instead of the target of \$65. They have had margins over what they projected of \$16m and \$11m the past two months. We suggested EKPC should true up the amount charged to member systems out of the excess margins.

MANAGER OF TECHNICAL SERVICES Brian Poling, Manager of Technical Services reported on the following:

AMI APPLICATION UPDATE The PSC notified Grayson on the 17<sup>th</sup> of April, denying our request for confidentiality on the AMI application. This information was redacted at the request of Landis and Gyr. However, it was supplied when the Attorney General's office said they would not intervene if we supplied that information, which we did. We provided the information requested by the PSC the next day and it was received by the Commission on the 23<sup>rd</sup>. We are still awaiting their decision.

We are also awaiting the final propagation study from Landis+Gyr that will give us the final pricing on the equipment. All the quotes we used for comparison were 'budgetary' and were not contractual figures.

FUTURA An agreement with Futura was signed to add another piece of software to our mapping system called Field Pro, allowing corrections found the field to be sent directly to Robert Brown. It will also allow "forms" for gathering information in the field.

First, we will create forms for Padmount Transformer Inspections, Right-of-Way Inspections and our upcoming AMI Equipment. Once we get a good feel for how this all works, we have several other forms we would like to convert to Field Pro.

CORP OF ENGINEERS The Corp of Engineers want to install 70 kW of solar. The Net Metering Contract and Tariff say 30 is the maximum allowed by our contracts and approved by the PSC. East Kentucky is to meet with the Corp of Engineers at Grayson RECC's office next Monday.

OPERATIONS & SAFETY 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 March 2018:

March 7 – Andrea McCleese, Technical Services Supervisor, went over Cyber Security and showed videos on different scenarios that can cause major complications in our organization. The most critical vulnerability that was discovered during our recent vulnerability assessment was people and the need to properly train employees on cybersecurity. Phishing emails were discussed and employees were told to never send their user credentials in an email. Also, sender names on emails cannot always be trusted and links or attachments in emails should not be opened if they are not expected or if any employee is not certain of what they are. Employees were shown how to hover over links in emails to see where the link would actually take them. Ransomware was also discussed. Ransomware can render our files and data useless and can be costly to recover. Ransomware can occur by an employee clicking on infected email attachments, link in emails, or browsing on the Internet. Securing the Human videos were shown on the following topics: You Are the Target, Social Engineering, Browsing, and Email & Messaging. Kyle Clevenger went over the safety investigation report for Scott Speaks and requested that everyone change out their gloves and get new gas cards from Caitlin Hutchinson.

March 12 – Brian Poling, Manager of Technical Services, turned the meeting over to Robert Brown who showed a power point on the “Call Before You Dig KY 811”. He went over the procedures and process that will be taken place when a member calls to check on underground services. Kyle Clevenger requested everyone to stay safe and we would be on standby for outages.

March 19 – Priscilla Sparks, Executive Assistant, showed a video about Hepatitis A that had been reported in our area and read an article on the symptoms, diagnose, and treatment for Hepatitis A. Kyle Clevenger asked everyone to work safe.

March 27 – Robert Brown, Information System Technician, turned the meeting over to Tony Dempsey with KAEC for our monthly safety meeting. He showed a power point on Protective Grounding, Why You Ground, Tools and Devices Used to Ground, Steps for De-energizing, Test for Voltage, Single Point Grounding, Bracket Grounding and Underground Grounding. He had a few sayings to remember: “short cuts breed more short cuts”, “ground lines to save lives” and “clear it, test it, ground it; go home safe”. Kyle Clevenger requested the men to have all the grounds tested today after the meeting.

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

The Construction Department built one hundred twenty-one (121) new work orders for the month of February and worked zero (0) hours of overtime.

OVERTIME HOURS	The Maintenance Department worked six hundred seventy-eight (678) hours of overtime during the month of March 2018 and the Engineering Department worked two (2) hours of overtime.
DELINQUENT NOTICES	There were 122 delinquents for April. Sixty (60) cards were issued to be disconnected and 3 accounts were disconnected by remote meter on April 9 for cycle 1. Sixty-two (62) cards were issued to be disconnected and 14 accounts were disconnected by remote meter on April 16 for cycle 2. Field personnel disconnected a total of 16 meters and a total of 10 meters were reconnected by field personnel and remote.
CONTRACT CREWS	We have two (2) Pike crews that have been working in the following areas:  Tony Seagraves – Cains Creek in Lawrence County Bob Marrow – Bailey Hollow, 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 866 trees, cut 1,081 trees and cut 49,695 feet of brush/line. The crews are working in the following areas:  2 cutting crews in Carter, Lewis and Greenup Counties 2 cutting crews in Lawrence County 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 Lawrence County  Smith Tree Service circuit crew is working on State Route 32 between Sandy Hook and Isonville, Elliott County.
ENGINEERING REPORT	The Engineering Department released one hundred one (101) prints consisting of 2,089 feet of primary line and 747 feet of service wire. They currently have three (3) new services to be staked and two (2) to be drawn. They have approximately eight (8) miscellaneous jobs to be staked or drawn.
MANAGER OF MARKETING AND MEMBER SERVICES	Kim Bush, Manager of Marketing and Member Services, reported on the following:
LIHEAP	LIHEAP is finished and was approximately \$10,000 less than last year. The money mainly comes from Northeast.
WINTER HARDSHIP	We had 20 winter hardship reconnects and 10 30-day extensions through LIHEAP, and that number is way down.
PREPAY ACCOUNTS	We have 698 active prepay accounts and 11 inactive accounts.
DEBT MANAGEMENT	We have 50 active accounts with debt management.
ENERGY	There was 25 energy audits; 4 heat pumps; 3 button-ups; 4 billing insights; and 1 commercial lighting in progress.  Energy Star appliance rebates: 8 washers; 3 dishwashers; 3 refrigerators; 2 freezers; 4 energy star heat pumps; and 1 water heater.

SOLAR We had 2 coop solar inquires. To date the coop solar panel sales is 83. The panels earned \$88 this month and is over 4 accounts.

ANNUAL MEETING Annual Meeting is Thursday, May 10, 2018 with the same format. We will have EKPC's electric car on display at the meeting.

CAMP COOP June 13-14, 2018 is Kid Coop Camp. Students must have completed 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grades. It will start at 8:30 a.m.  
NRECA and Touchstone Energy Spotlight on Excellence recognized Grayson for its Kid Coop Camp program and won a 2nd place silver award for its excellence.

BOOK SPONSORSHIP Books sponsored by GRECC will be given to Heritage Elementary.

E-BILLNG Members may sign up for E-billing at the annual meeting. We will have a drawing for a prize for anyone that is already signed up or who signs up for E-billing at the Annual Meeting.

MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve sixty-two (62 ) new memberships and retirement of one hundred (100) existing memberships for March 2018.

BAD DEBT WRITE-OFFS Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to charge off \$5,708.14 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 Trent, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$326.53 Director's business expenses of \$7,333.91 and Attorney's business expense of \$2,174.70.

EXPENSES President Fraley reported are some additional expenses we are incurring.  
  
Nathan Whitt - \$200  
PSC Case – South KY \$5,850  
Recording fees of easements - \$816  
Totaling \$6,866

LOAD FORECAST Our Load Forecast with East Kentucky is still zero. Ours may need adjusted sometime.

THANK YOU We received a thank you letter from: Kenneth and Edna Arrington for remembering his sister's passing; Heather Smith for her scholarship; and Barbara Adkins on behalf of the Haldeman Community Center after School Program.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:  
  
Lewis Co. Extension Office – KY Youth Seminar \$ 125  
Commercial Bank of Grayson – Christmas in July 5K \$ 100  
Grayson Fire Department – Cruise In – Car Show \$ 100  
Rough Terrain Rescue – fundraiser \$ 200  
Carter County Thunder (check for \$500; EKPC donates \$250) \$ 250

































President and CEO's Expenses

February 20, 2018 – March 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
4/05/18	174143	VISA Expenses: *2/20 Working thru lunch	\$15.18
		*2/28 Working thru lunch	\$12.82
4/09/18	174173	*Rural Cooperative Credit Union – annual fee – Visa card	\$3.00
		Total Expenses	\$31.00

\*prorated expense



## DIRECTORS & ATTORNEY EXPENSES

March-18

### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (3/23)	\$ 343.60
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (2/23)	18.99
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,003.71</b>

### JIM BENTLEY

<b>Per Diem</b>	- NRECA Annual Mtg. (2/25-28); GRECC Bd. Mtg. (3/23)	\$ 1,840.08
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	- NRECA Annual Mtg	954.21
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 3,436.00</b>

### HAROLD DUPUY

<b>Per Diem</b>	- NRECA Annual Mtg. (2/25-28); GRECC Bd. Mtg. (3/23)	\$ 1,910.93
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	- NRECA Annual Mtg	967.55
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 3,519.81</b>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Bd. Mtg. (3/23)	\$ 308.72
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 950.43</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (3/23)	\$ 321.80
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 962.92</u>

**ROGER TRENT**

<b>Per Diem</b>	NRECA Annual Mtg. (3/25-28); GRECC Bd. Mtg. (3/23)	\$ 1,867.20
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	- NRECA Annual Mtg.	851.17
	Lunch GRECC Bd. Mtg. (2/23)	19.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 3,378.49</u>

**JIMMY WHITT**

<b>Per Diem</b>	NRECA Annual Mtg. (3/25-28); KAEC Bd. Mtg. (3/19); GRECC Bd. Mtg. (3/23)	\$ 2,352.63
<b>MISC</b>	- VISA Annual Fee	3.00
<b>VISA</b>	- NRECA Annual Mtg.	892.88
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 3,887.22</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- VISA Annual Fee	3.00
<b>Excess Hrs</b>	- (24.25) hrs. PSC South KY Case	4,850.00
	(1) hr Nathan Whitt	200.00
	(2) hrs. Misc. for March	400.00
<b>Out-of-Pocket</b>	- Record (48) R/W Easements	816.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 6,269.00</u>





























# Grayson Rural Electric Financial Report

2018 Board Materials  
365 of 882

May 25, 2018

## At A Glance....

### March

<u>kWh Sales (3/01 - 3/31)</u>		<u>Margins</u>	
Month	10.75%	Month \$	463,971.94
YTD	8.54%	YTD \$	1,214,346.94
<u>kWh Purchases (3/01 - 3/31)</u>		<u>OTIER</u>	
Month	10.40%	Month	6.36
YTD	8.35%	YTD	5.60
<u>Line Loss</u>			
Month	5.04%		
YTD	5.61%		

**Fuel Adjustment**      0.000850

**ESC**                              4.19%

**Degree Days**                      698

Heating Degree Days      698

Cooling Degree Days      0

### Notes:

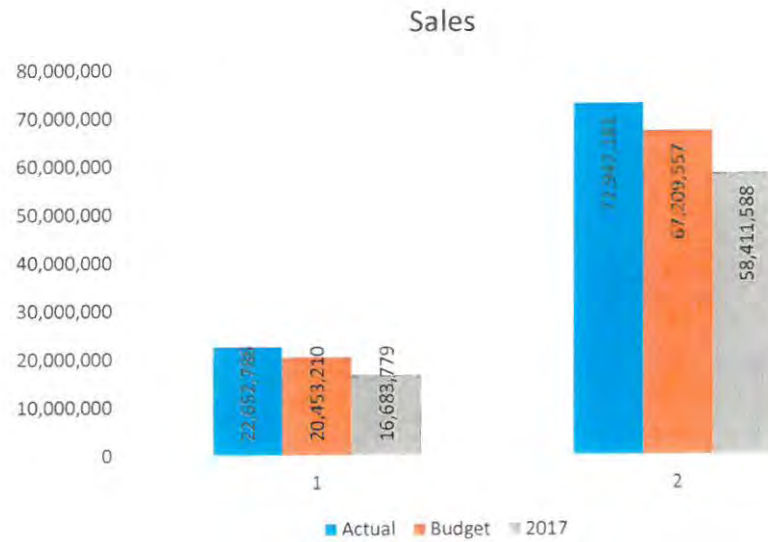
- Capital Credits
- 
-



**Sales**

**March**

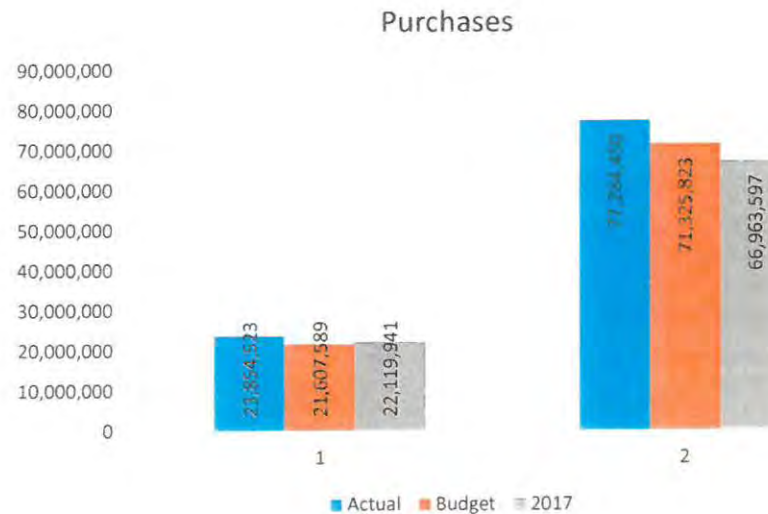
	2018	2017	2017-2015
Actual	22,652,786	16,683,779	17,573,323
Budget	20,453,210		
Difference	2,199,576 10.75%	5,969,007 35.78%	5,079,463 28.90%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	72,947,181	58,411,588	65,194,443
Budget	67,209,557		
Difference	5,737,624	14,535,593	7,752,738
% Difference	8.54%	24.88%	11.89%



**Purchases**

**March**

	2018	2017	2017-2015
Actual	23,854,523	22,119,941	21,800,717
Budget	21,607,589		
Difference	2,246,934 10.40%	1,734,582 7.84%	2,053,806 9.42%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	77,284,450	66,963,597	75,776,681
Budget	71,325,823		
Difference	5,958,627	10,320,853	1,507,769
% Difference	8.35%	15.41%	1.99%





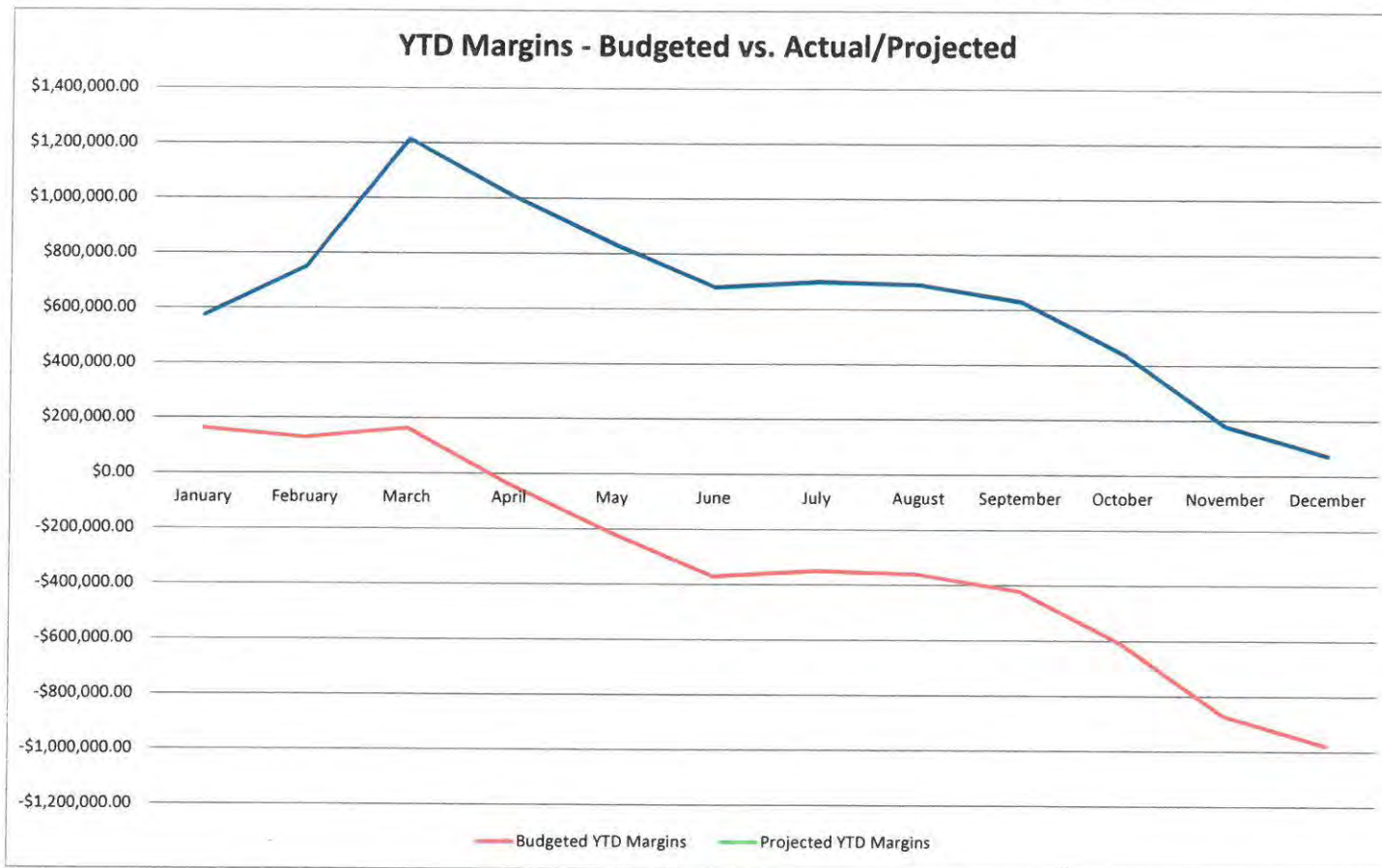
Monthly Operating Revenue & Expenses

	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018
Revenue	(2,031,622)	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,881,960)	(2,607,042)	(2,979,693)
Purchased Power	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013
Gross Margins	(612,007)	(870,423)	(1,071,075)	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)
Operations	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702
Maintenance	318,113	286,651	287,387	303,369	354,631	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134
Customer Service	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702
Informational Advertising	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398
Demonstration Advertising	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652
Admin & General	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335
Depreciation	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586
Regulatory	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423
Interest - LTD	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573
Interest - Deposits	663	665	677	671	668	670	671	668	664	593	1,408	1,396	1,392
Miscellaneous Expense	1,099	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578
Interest Income	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)
Non-Electric Revenue	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)
Capital Credits	(53,470)	-	(524)	-	-	-	(33,801)	-	-	-	-	(2,354)	(68,289)
Margins	402,230	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,186)	(177,210)	(463,971)
* ( ) = positive margins													
Operating Expenses	1,076,068	1,055,247	1,054,262	1,093,304	1,115,309	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,082,838	1,043,244	1,124,476
Monthly OTIER	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36
Revenue	(29,740,650)	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(29,896,584)
Purchased Power	17,439,296	17,423,578	17,413,418	17,374,726	17,259,561	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,616,913	17,798,694	17,848,082
Gross Margins	(12,301,354)	(12,416,358)	(12,373,336)	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)
Operations	1,274,991	1,299,959	1,296,441	1,201,057	1,204,016	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,802	1,369,607
Maintenance	3,400,630	3,360,269	3,315,246	3,295,574	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558
Customer Service	1,059,187	1,051,840	1,050,899	1,049,915	1,051,256	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992
Informational Advertising	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512
Demonstration Advertising	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,766	22,039	21,526
Admin & General	1,929,307	1,923,844	1,919,970	1,963,936	1,962,086	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,258	1,961,741	1,965,831
Depreciation	3,379,812	3,391,510	3,403,080	3,414,522	3,425,750	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712
Regulatory	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743	42,410	41,074	41,108	41,142	41,176
Interest - LTD	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553	986,207	1,010,095
Interest - Deposits	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,683	9,414	10,143
Miscellaneous Expense	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148	36,746	39,893	48,372
Interest Income	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)
Non-Electric Revenue	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)
Capital Credits	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(87,795)	(87,795)	(87,795)	(87,795)	(90,149)	(104,968)
Margins	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615	411,413
Operating Expense	12,348,268	12,345,572	12,289,242	12,229,061	12,307,340	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526
Rolling 12 Month OTIER	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	\$0.00	-\$203,632.77			-\$39,693.08		\$1,010,714.17
May	\$0.00	-\$176,183.77			-\$215,876.85		\$834,530.40
June	\$0.00	-\$155,336.77			-\$371,213.62		\$679,193.63
July	\$0.00	\$20,126.23			-\$351,087.39		\$699,319.86
August	\$0.00	-\$9,898.77			-\$360,986.16		\$689,421.09
September	\$0.00	-\$60,686.77			-\$421,672.93		\$628,734.32
October	\$0.00	-\$189,227.77			-\$610,900.70		\$439,506.55
November	\$0.00	-\$260,909.77			-\$871,810.47		\$178,596.78
December	\$0.00	-\$107,366.41			-\$979,176.88		\$71,230.37





## Margins/Tier

### February

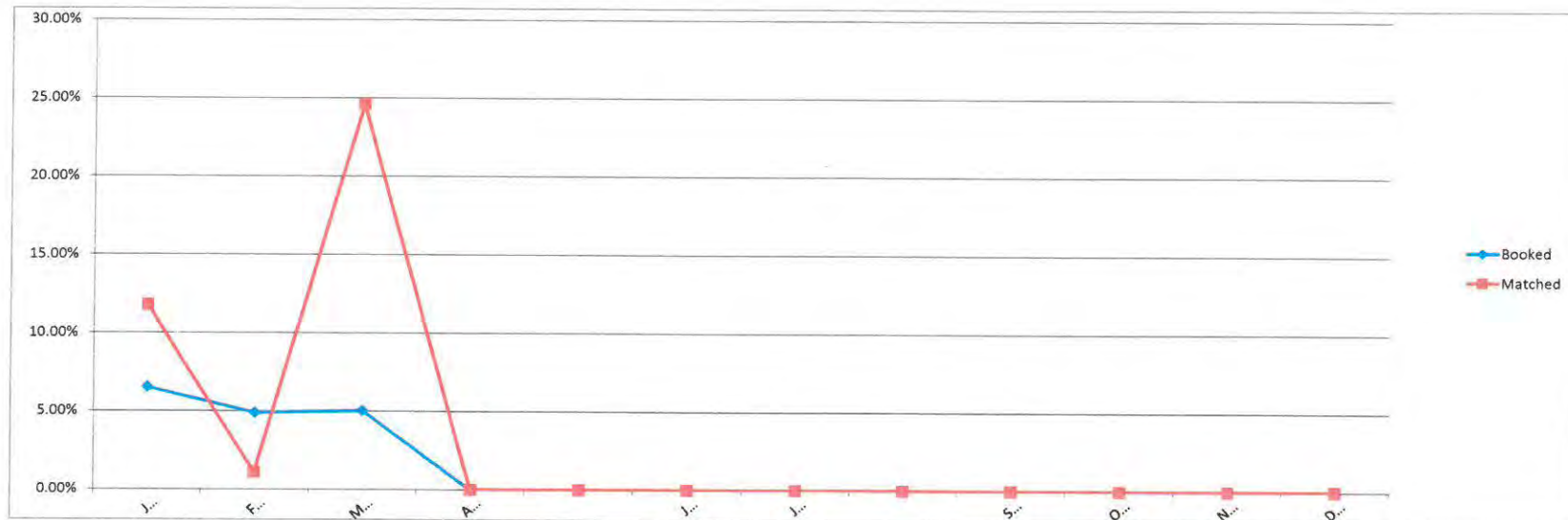
	2018	2017	2017-2015
Revenue	(2,979,693)	(2,031,622)	(2,146,619)
Purchase Power	1,471,013	1,419,615	1,428,473
<i>Gross Margins</i>	(1,508,680)	(612,007)	(718,146)
Operating Expenses	1,124,476	1,076,068	1,121,576
Margins	(463,971)	402,230	283,505
OTIER	6.36	(4.53)	(2.85)

### Year to Date

	2018	2017	2017-2015
Revenue	(9,668,696)	(7,243,253)	(8,115,173)
Purchase Power	5,279,162	4,582,673	5,179,828
<i>Gross Margins</i>	(4,389,534)	(2,660,580)	(2,935,345)
Operating Expenses	3,260,658	3,161,685	3,212,840
Margins	(1,214,346)	422,725	150,294
OTIER	5.60	-0.81	0.35



	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>2018</b>													
Sales	29,890,386.00	20,404,009.00	22,652,786.00										
2017	21,747,637.00	19,980,172.00	16,683,779.00										
<b>Purchases:</b>													
2018	31,976,733.00	21,453,194.00	23,854,523.00										77,284,450.00
2017	24,645,811.00	20,197,845.00	22,119,941.00										66,963,597.00
<b>kWh Loss</b>													
2018	2,086,347.00	1,049,185.00	1,201,737.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,337,269.00
2017	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>% Line Loss</b>													
2018	6.52%	4.89%	5.04%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.61%
2017	11.76%	1.08%	24.58%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11.07%





2018 March Bill				2017 March Corresponding Dates			2017 March Bill				
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Mar	51	14	0	8	0	57	1-Mar	21-Mar	54	11	0
2-Mar	41	24	0	24	0	41	2-Mar	22-Mar	42	23	0
3-Mar	37	28	0	31	0	34	3-Mar	23-Mar	46	19	0
4-Mar	39	26	0	34	0	31	4-Mar	24-Mar	63	2	0
5-Mar	40	25	0	17	0	48	5-Mar	25-Mar	67	0	2
6-Mar	50	15	0	9	0	56	6-Mar	26-Mar	62	3	0
7-Mar	38	27	0	10	0	55	7-Mar	27-Mar	65	0	0
8-Mar	34	31	0	14	0	51	8-Mar	28-Mar	61	4	0
9-Mar	36	29	0	9	0	56	9-Mar	29-Mar	55	10	0
10-Mar	39	26	0	20	0	45	10-Mar	30-Mar	64	1	0
11-Mar	41	24	0	35	0	30	11-Mar	31-Mar	61	4	0
12-Mar	40	25	0	33	0	32	12-Mar	1-Apr	48	17	0
13-Mar	34	31	0	23	0	42	13-Mar	2-Apr	56	9	0
14-Mar	30	35	0	38	0	27	14-Mar	3-Apr	57	8	0
15-Mar	43	22	0	39	0	26	15-Mar	4-Apr	64	1	0
16-Mar	38	27	0	33	0	32	16-Mar	5-Apr	65	0	0
17-Mar	39	26	0	34	0	31	17-Mar	6-Apr	49	16	0
18-Mar	47	18	0	16	0	49	18-Mar	7-Apr	44	21	0
19-Mar	50	15	0	25	0	40	19-Mar	8-Apr	48	17	0
20-Mar	42	23	0	24	0	41	20-Mar	9-Apr	58	7	0
21-Mar	34	31	0	11	0	54	21-Mar	10-Apr	69	0	4
22-Mar	38	27	0	23	0	42	22-Mar	11-Apr	70	0	5
23-Mar	39	26	0	19	0	46	23-Mar	12-Apr	63	2	0
24-Mar	34	31	0	2	0	63	24-Mar	13-Apr	62	3	0
25-Mar	41	24	0	0	2	67	25-Mar	14-Apr	66	0	1
26-Mar	47	18	0	3	0	62	26-Mar	15-Apr	71	0	6
27-Mar	55	10	0	0	0	65	27-Mar	16-Apr	70	0	5
28-Mar	59	6	0	4	0	61	28-Mar	17-Apr	69	0	4
29-Mar	64	1	0	10	0	55	29-Mar	18-Apr	67	0	2
30-Mar	49	16	0	1	0	64	30-Mar	19-Apr	68	0	3
31-Mar	48	17	0	4	0	61	31-Mar	20-Apr	73	0	8
	42.5	698	0	553	2	47.2		60.5	178	40	
		698			555				218		

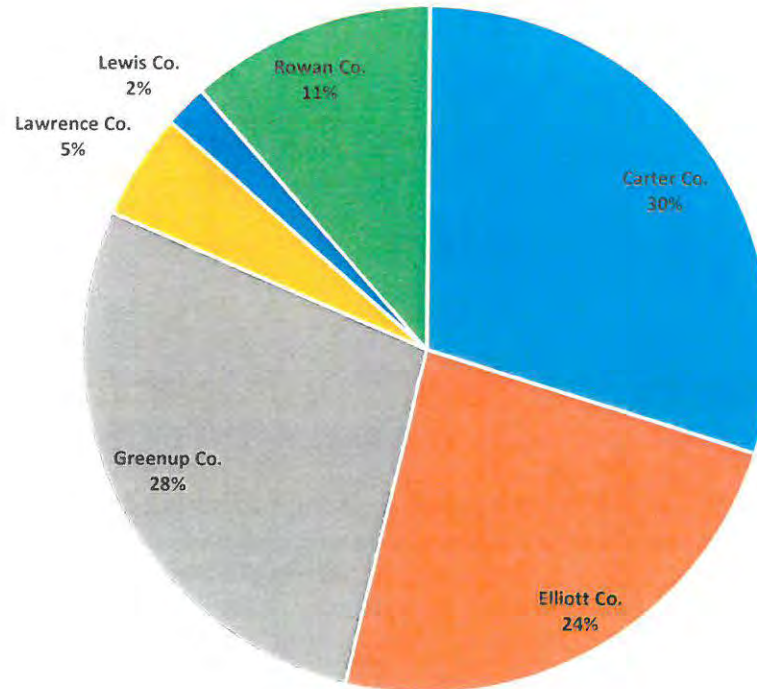




# Bills by County

	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17
Carter Co.	4,581	4,591	4,590	4,585	4,618	4,572		4,607	4,584	4,588	4,587	4,565	4,579
Elliott Co.	3,661	3,668	3,666	3,646	3,671	3,662		3,686	3,666	3,665	3,642	3,638	3,640
Greenup Co.	4,272	4,280	4,281	4,286	4,339	4,319		4,368	4,357	4,352	4,334	4,342	4,300
Lawrence Co.	768	768	774	780	785	774		782	773	781	776	779	774
Lewis Co.	310	317	313	316	312	316		313	315	311	311	313	310
Rowan Co.	1,772	1,761	1,765	1,777	1,790	1,770		1,771	1,763	1,755	1,757	1,752	1,743
	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346

# of Bills  
March 2018





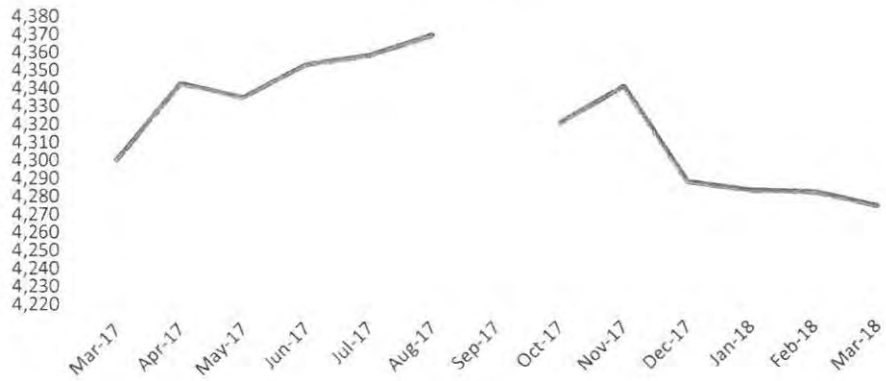
Carter Co.



Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**MARCH 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		45		97.87	(97.87)	
100	NEW LINE EXTENSIONS		12		41,983.40	41,983.40	3,498.62
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		5,058.86	5,058.86	2,529.43
603	SECTIONALIZERS		3		3,697.97	3,697.97	
604	REGULATORS						
606	POLES		29	POLES	144,887.60	144,887.60	4,996.12
701	SECURITY LIGHTS		31		31,306.91	31,306.91	1,009.90
1600	MINOR PROJECTS		3		10,538.98	10,538.98	
	TOTAL		122		<b>237,571.59</b>	<b>237,375.85</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	27		24,494.11	24,494.11	907.19
	METERS	370.00	0		0.00	0.00	0.00
	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		27		<b>24,494.11</b>	<b>24,494.11</b>	
	MATERIAL				<b>17,505.41</b>		
	MATERIAL OH				<b>44,940.54</b>		
	LABOR				<b>16,844.10</b>		
	LABOR OH				<b>70,606.64</b>		



**REVENUE SUMMARY  
MARCH 2018**

	<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>
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 387,678.04	\$ 25,236.33	\$ 5,499.89	\$ 13.75	\$ 2,597.55	\$ 28,188.77	\$ 449,214.33	\$ 10,280.57	\$ (0.00)
Class 11 (Non-Electric House)	\$ 340,270.12	\$ 22,150.04	\$ 10,472.99	\$ 24.75	\$ 1,093.64	\$ 24,217.62	\$ 398,229.16	\$ 6,023.13	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 75,096.39	\$ 4,690.83	\$ 1,513.02	\$ 5.50	\$ 642.12	\$ 5,525.49	\$ 87,473.35	\$ 1,902.40	\$ -
Class 14 (All Electric House)	\$ 995,304.86	\$ 67,290.99	\$ 18,259.78	\$ 74.25	\$ 2,717.26	\$ 70,374.31	\$ 1,154,021.45	\$ 18,412.85	\$ 23.00
Class 61 (Security Light)	\$ -	\$ 72.03	\$ 1,347.58	\$ 2.75	\$ -	\$ 90.10	\$ 1,512.46	\$ 14.54	\$ 3.00
<b>44010 TOTALS</b>	<b>\$ 1,798,349.41</b>	<b>\$ 119,440.22</b>	<b>\$ 37,093.26</b>	<b>\$ 121.00</b>	<b>\$ 7,050.57</b>	<b>\$ 128,396.29</b>	<b>\$ 2,090,450.75</b>	<b>\$ 36,633.49</b>	<b>\$ 26.00</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 20,308.74	\$ 805.47	\$ 451.20	\$ -	\$ 24.66	\$ 1,381.04	\$ 22,971.11	\$ 269.10	\$ -
Class 15 (Camps)	\$ 16,713.80	\$ 586.12	\$ 266.49	\$ -	\$ 64.31	\$ 1,136.31	\$ 18,767.03	\$ 373.78	\$ 12.00
Class 16 (Barns)	\$ 19,665.42	\$ 613.09	\$ 708.99	\$ -	\$ 36.99	\$ 1,356.91	\$ 22,381.40	\$ 357.79	\$ 5.00
Class 17 (Garages, Out-buildings)	\$ 41,725.10	\$ 1,463.58	\$ 1,052.82	\$ -	\$ 64.73	\$ 2,825.84	\$ 47,132.07	\$ 522.36	\$ 185.00
Class 18 (Meters on Poles)	\$ 6,603.75	\$ 225.58	\$ 203.62	\$ -	\$ 15.66	\$ 450.93	\$ 7,499.54	\$ 85.42	\$ 38.00
Class 19 (Un-Inhabitable Houses)	\$ 726.90	\$ 14.37	\$ 39.09	\$ -	\$ -	\$ 49.62	\$ 829.98	\$ 15.39	\$ -
Class 20 (Miscellaneous)	\$ 1,334.80	\$ 39.21	\$ 47.73	\$ -	\$ 10.33	\$ 99.81	\$ 1,531.88	\$ 37.36	\$ -
<b>44040 TOTALS</b>	<b>\$ 107,078.51</b>	<b>\$ 3,747.42</b>	<b>\$ 2,769.94</b>	<b>\$ -</b>	<b>\$ 216.68</b>	<b>\$ 7,300.46</b>	<b>\$ 121,113.01</b>	<b>\$ 1,661.20</b>	<b>\$ 242.00</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 162,195.03	\$ 10,583.47	\$ 3,521.57	\$ 5.50	\$ -	\$ 11,212.74	\$ 187,518.31	\$ 2,808.03	\$ 7,794.00
Class 26 (Security Light)	\$ -	\$ 16.02	\$ 293.05	\$ -	\$ -	\$ 19.64	\$ 328.71	\$ 9.05	\$ 16.00
Class 28 (Churches)	\$ 22,212.19	\$ 1,442.55	\$ 1,570.44	\$ -	\$ -	\$ 1,604.33	\$ 26,829.51	\$ 136.70	\$ 537.00
<b>44210 TOTALS</b>	<b>\$ 184,407.22</b>	<b>\$ 12,042.04</b>	<b>\$ 5,385.06</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 12,836.71</b>	<b>\$ 214,676.53</b>	<b>\$ 2,953.78</b>	<b>\$ 8,348.00</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 191,189.30	\$ 16,245.56	\$ 988.28	\$ -	\$ -	\$ 13,255.73	\$ 221,678.87	\$ (107.91)	\$ 7,963.40
Class 47 (Pumping Station)	\$ 67.87	\$ 1.59	\$ -	\$ -	\$ -	\$ 4.42	\$ 73.88	\$ -	\$ 4.40
Class 79 (All Electric School)	\$ 41,122.55	\$ 3,498.68	\$ 476.00	\$ -	\$ -	\$ 2,868.18	\$ 47,965.41	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 232,379.72</b>	<b>\$ 19,745.83</b>	<b>\$ 1,464.28</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,128.33</b>	<b>\$ 269,718.16</b>	<b>\$ (107.91)</b>	<b>\$ 7,967.80</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison)	\$ 162,518.44	\$ 21,440.20	\$ 28.94	\$ -	\$ -	\$ 11,701.61	\$ 195,689.19	\$ -	\$ 7,547.30
<b>44230 TOTALS</b>	<b>\$ 162,518.44</b>	<b>\$ 21,440.20</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,701.61</b>	<b>\$ 195,689.19</b>	<b>\$ -</b>	<b>\$ 7,547.30</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ 31.39	\$ 599.69	\$ -	\$ -	\$ 40.14	\$ 671.22	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ 31.39</b>	<b>\$ 599.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40.14</b>	<b>\$ 671.22</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,484,733.30</b>	<b>\$ 176,447.10</b>	<b>\$ 47,341.17</b>	<b>\$ 126.50</b>	<b>\$ 7,267.25</b>	<b>\$ 176,403.54</b>	<b>\$ 2,892,318.86</b>	<b>\$ 41,140.56</b>	<b>\$ 24,132.60</b>
							<b>TOTAL REVENUE</b>	<b>\$ 3,022,928.74</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

June 14, 2018

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, June 22, 2018 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


June 14, 2018

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-second day of June 2018 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 June 22, 2018 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 May 2018 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for April 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Cooperative Legal Matters – W. Jeffrey Scott
9. Manager of Technical Services Report – Brian Poling
  - a. 2018 Load Forecast Resolution
10. Manager of Marketing & Member Services Report – Kim Bush
11. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
12. Approval of One Hundred Twenty-One (121) New Memberships and Retirement of Ninety-Five (95) Existing Memberships for May 2018
13. Consider Approval of Accounts to be Charged Off to Reserve \$13,816.35
14. Consider Approval of President's Business Expense in the Amount of \$23.34, Director's Business Expense in the Amount of \$10,416.63 and Attorney's Business Expense in the Amount of \$8,171.40
15. Consider Community Service and/or Donations
16. Approval of Attendance at Meetings – Directors and Employees
17. Report of Any Meetings Held
18. Confirm Date for Future Board Meeting – Friday, July 27, 2018
19. Additional Business
20. Adjourn



On May 25, 2018 at 9:08 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	Chairman Dupuy asked for approval of the minutes of the April Board Meeting. President Fraley said that a correction of the January 2018 memberships should have been 62 new members and retirement of 100, and March 2018 should have been 77 new members and retirement of 94 memberships. Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the corrected minutes from the February 2018 Board meeting and the April 2018 Board Meeting for informational purposes only.
APPROVAL OF ORGANIZATIONAL BOARD MEETING	Chairman Dupuy asked for a motion to approve the minutes of the Organizational Meeting, held directly after the Annual Meeting. Director Martin pointed out that the motion he made regarding election of officers should have read "Motion was made by Director Martin, seconded by Director Bentley and unanimously approved that all officers and representatives be re-elected to their current positions.
PRESIDENT'S REPORT	President Fraley reported on the following:
BRAIDY INDUSTRIES	There will be a ground breaking dedication for Braidy Industries at the Industrial Park on June 1, 2018 at 1:00 p.m. We have been invited to lunch at the FIVCO Building at 11:00 a.m. We can park at the FIVCO Building and transportation will be provided to the ground breaking site.
E-BILLS	At the Annual Meeting, we signed up 192 members for e-bills, a savings of \$1,152 per year by eliminating mailed paper bills.
NRECA-MANAGEMENT INTERN PROGRAM	Robert Brown has finished the six weeks NRECA'S Manager's Internship Program.
SUMMER WORKERS	We are starting on vacation schedules and have four summer workers to help fill in and for special projects. They are working on right-of-way easements for existing property and new residences. They will be helping with Co-op Camp next month.  Director Arrington asked what we do about right-of-way easements when someone already has an account. President Fraley said if someone applies for service and there is not a valid easement we try to get a new one. If they are already on we would not disconnect. New services require a right-of-way easement along with their membership.
RALPH FERGUSON	Ralph Ferguson still has not presented a signed right-of-way easement, as agreed upon when his renter's electric was turned on. The Public Service Commission said we are well within our rights not to connect a service if a member did not sign an easement.

BALLARD RAY	Ballard Ray has never signed a right-of-way easement for his renter, so the electric has not been connected.
KAEC DIRECTOR	The KAEC Board Meeting is scheduled for May 30 <sup>th</sup> next week.
EKPC DIRECTOR	Director Arrington attended the East Kentucky Power Cooperative Board Meeting. Their regular Board Meeting is June 4, 2018 and their Annual Meeting is June 5, 2018 at Headquarters.
MANAGER OF FINANCE & ACCOUNTING REPORT	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for March 2018. Mr. Bradley reported on the following:
FINANCIAL & STATISTICAL REPORT FOR MARCH	Kilowatt hour sales for the month of March (03/01-03/31) were 10.75% over budget. Purchases for the time period of (3/1-31) were 10.40% over budget. Line loss for the last twelve months was 5.61%. Year to date margins were a \$1,214,347 compared to the budgeted amount of \$163,940.
O.T.I.E.R.	The O.T.I.E.R. for the month was 6.36 and the year to date was 5.60. Rolling O.T.I.E.R is .60 for 12 months and close to 1.03 at this point.
FUEL ADJUSTMENT	The fuel adjustment for the month was 0.000850.
ESC	The environmental surcharge for the month was 4.19%.
DEGREE DAYS	We had 698 degree days. They were all heating degree days and no cooling degree days were recorded.
CAPITAL CREDITS	In May 2018 we paid 48 capital credit applications totaling \$43,617.02. We received 0 applications and have 19 incomplete applications.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR MARCH 2018	Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for March 2018 as presented, for informational purposes only.
RATE CASE	President Fraley gave a handout on GRECC rate increase history stating:  1999 GRECC was granted 6.71% 2009 GRECC was granted 13% (by PSC) along with EKP 5% pass through. 2010 EKPC pass through 5% (by PSC) 2012 GRECC granted 8% (by PSC) 2019 proposed increase is equivalent to \$1.3 million (reach 2.0 T.I.E.R.).  T.I.E.R. can be achieved in a number of ways. The GRECC Staff has studied this issue and determined the fairest and most equitable way to reach the \$1.3 level we need is by raising the Customer Service Charge, as needed, and by adjusting certain tariffs, as needed.  Kilowatt hour charges cause greater hardship on those members who have high usage and less income. Actual costs for each tariff will be examined as the Cost of Service Study is completed.  We expect a presentation to the full Board this July 2018 by Alan Zumstein and Jim Adkins. The Board should anticipate action on this issue at that time in order for Jeffrey, Bradley, Andrea and myself to prepare notice to the PSC.



GREENUP TAX

President Fraley talked to Mary Kay McGinnis Ruark about the Greenup County tax that would be collected on the GRECC bills. Chairman Dupuy stated this would not happen until January. President Fraley said she wrote an article on Facebook and received no replies.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

SOUTH KENTUCKY CASE

Brendan Music, Carol Ann and Jeffrey attended the three day hearing on South Kentucky RECC at the Public Service Commission last week. It started Tuesday and ended on Friday.

The Commission directed that there be post hearing data request to be done by Monday. Those got done and the response has to be done by this coming Tuesday. Grayson's brief is due July 2. Jeffrey has already done a draft of this brief.

South Kentucky, under Amendment 3, wants to buy 58 megawatts of power through a contract with Morgan Stanley, the same as Grayson Rural Electric in 2012, Case 2012-503ESPK.

This would leave EKPC with an extra 58 megawatts of power to sell. EKPC says that would shift stranded costs to the other 15 cooperatives and cause EKPC to have to make up that revenue.

Expert testimony was offered by EnerVision for South Kentucky. Greg Shepler prepared their contract, as he did for Grayson. Greg is no longer with EnerVision. Carter Babbitt, who replaced Mr. Shepler, testified for South KY along with Mr. Sealy. The distribution coops hired John Wolfram from Louisville to testify. Don Mosier, Mike McNalley, David Crews and Tony Campbell all testified for EKPC. Ted Hampton (Cumberland Valley), Bobby Sexton (Big Sandy) and Kerry Howard (Licking Valley) all took the stand and said they didn't want to buy alternate power and would never exercise their right to do so.

Mike Schmitt is Chairman of the PSC. Robert Cicero is vice chairman and Talina Mathews who has a PHD in economics is a Commissioner. They all heard testimony.

Mr. Campbell revealed that EKP has a cushion of credit in the amount of \$513 million dollars. That is not their retained earnings they have in some account. That is not their accumulated margins. It is in excess of their accumulated margins

We believe that if South Kentucky can do this and save their members money without affecting our members, they should be allowed to do so.

Legal Counsel felt EKP did not put a strong enough argument on why they cannot assimilate this difference, especially when they have half a billion dollars in some account so their credit rating can look good. Mr. Scott thinks the Commission will wipe out the MOU. Brandon and Jeff found some cases yesterday.

He is going to file a brief that 5% of East KY load is 148.5 MW. If they take 148 megawatts and divide by 16, Grayson gets the same as 15%. We would get what we requested in 2012.

SOUTH KENTUCKY CASE  
(CONTINUED)

East Kentucky is willing to go to 148 megawatts. Jackson Energy believes they have never withdrawn their original filing. Licking Valley, Big Sandy and Cumberland Valley don't want any. South Kentucky asked East Kentucky to make a proposal and they ignored them. Director Arrington said 10% was discussed in the Negotiating Committee.

GRECC agreed to sign the MOU before filing with PSC, but we had not signed. Tony testified that we signed the MOU before the case was concluded.

Legal Counsel said if divided equally we would get about 10%. Five (5%) percent gives us 3.6 megawatts.

President Fraley said Don Mosier testified that "EKPC agrees to provide up to 1,600 hours of professional assistance to the member systems over a 10 year period. He testified that we had been getting our hours. They asked him who authorized it or asked for them and Mr. Mosier said Carol Ann Fraley did. Following Mr. Mosier's testimony, President Fraley asked Mr. Mosier for a complete list of services provided, dates and costs of services. She requested the same of Mr. McNalley. When she did not receive the requested information that next week, she called Mr. Mosier and he was out. She then called Mr. McNalley and left a message. He said he thought they did some things for Bradley too. She asked him to make a list, telling what date they were incurred, how many hours and how much they were worth, and who authorized them. She asked for them before Friday for The Grayson Board Meeting. The morning of the Board Meeting, she received an email reading, "Carol Ann, Although many people are on vacation today, I was able to get some records. The two-way radio work Denver's team performed amounted to about 2 hours. I think all other unbilled work which would qualify probably amounts to less than 2 more hours, for a total under 4 hours. As you know, we agreed to make 100 hours available to each owner-member, at their request. Regardless of how the hours are added up, we always strive to be responsive and helpful to each owner-member. I hope this answers your question – feel free to call me prior to your board meeting today if you want. Best Regards, Mike McNalley, EVP & CFO, East Kentucky Power Cooperative, Inc., 859-745-9209 O, 859-595-3897 C, [Michael.mcnalley@ekpc.coop](mailto:Michael.mcnalley@ekpc.coop)."

Legal Counsel read the following paragraph 2 from the MOU:

"Upon receipt of the last Order dismissing the final pending claim against either party, EKPC will agree to provide up to 100 hours of professional services annually to each of the 16 members systems, for a total of 1,600 hours for a period not to exceed 10 years upon acceptance of this agreement. The types of services to be provided will be at the discretion of the members, provided the services are customary and reasonable. On no less than a semi-annual basis, EKPC will provide a summary of any services provided to the Owner-Member's respective Boards."

It is three years later and they have not provided 100 hours annually, the email read said all they have only provided was two (2) hours service in 36 months.

SOUTH KENTUCKY CASE  
(CONTINUED)

At this point, Director Martin said the gist of the agreement was that we would ask, but we didn't have legal counsel at the final settlement. He said our attorney was "missing in action".

Legal Counsel disagreed. Conversation ensued regarding what had taken place at the settlement in 2015. Chairman Dupuy moved on to the next order of business.

President Fraley said the agreement with East Kentucky was supposed to have an annual meeting to review the terms and conditions of the agreement on an annual basis

Director Martin said anytime we do anything with them, do it in writing.

Discussion followed regarding the signing of the agreement with EKPC in 2015. Priscilla Sparks was asked to read the minutes from the May 14, 2015 Organizational Meeting, GRECC VS EKPC – CB CASE "Directors were reminded of the meeting with EKPC tomorrow, May 15, 2015, to review the Charleston Bottoms issue. The Board had requested that Mr. Music attend on their behalf. Mr. Music was not aware of the date of the meeting and may have a conflict with depositions that he is involved in. Some discussion was held regarding the Board's approach and remedy that would be satisfactory to conclude this matter." Several Directors made comments regarding the situation.

Chairman Dupuy said the discussion was over.

LEGAL REPORT

Mr. Scott reported on the following:

EASEMENTS

He did a lot of work on easements, reviewing them, and taking them to different county clerk offices to get them recorded, and answering questions for the Member Representatives.

President Fraley stated we are making a lot of progress on easements and checking files for those that may have already been recorded.

We have more trouble getting easements on existing property than on new accounts.

NATHAN WHITT

On the Nathan Whitt claim, Federated agreed to pay money to reseed. Kyle met with Park Priest last week and was asked to make sure the pole we changed out was on Marilyn Haney's property. We went back to a 1927 deed. He read a deed that allowed for a road in it. Mediation is in Lexington on May 31 on the case. He thought it would be good for President Fraley to be there for a while, but she doesn't have to be there the duration of the mediation. Federated Insurance will be there.

MANAGER OF TECHNICAL  
SERVICES

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

AMI UPDATE

No updates have been received from the PSC on the AMI application. President Fraley, after talking to Jim Adkins and Alan Zumstein, thinks the Board should have Legal Counsel call the PSC every Monday morning. Brian said it would take 20 weeks to get the order in.

SCOTT MCGUIRE	Scott McGuire completed another week of meter training in Murfreesboro, TN.
DRONE PILOT'S LICENSE	<p>Robert Brown and Tony Brewer will be attending a Drone Pilot's Training for Lineman program in Morehead. The program is offered to only five (5) lineman and will consist of 8 online courses, 40 hours of classroom and hands-on training and 24 hours of drone safety training. Once completed, they will be FAA Remote Pilot Certificate ("Part 107" Commercial Drone Operators License), Visual Sight Operator Certificate and Professional Remote Operators Certificate.</p> <p>In addition, Robert plans to obtain a SUAS (Small Unmanned Aircraft Systems) Safety Certificate that required an additional 140 hours of training.</p> <p>The program is being offered through a grant. Ritchie Katko of the Maysville Community &amp; Technical College will teach the course.</p>
REMODELING PROJECT	Our construction/remodeling project continues...we still have to get the drain pipe across the parking lot out front, check the leak in the porch ceiling, finish the treads on the stairs outside the kitchen, touch-up paint on baseboards, restripe the parking out front and add handicap signs.
BRIAN POLING	President Fraley said Brian has been an excellent resource and has done a great job in handling these projects.
MANAGER OF MARKETNG & MEMBER SERVICES	Kim Bush, Manager of Marketing & Member Services presented the member services and marketing report.
ANNUAL MEETING	<p>Kim reported she didn't have all the information for a full annual meeting report.</p> <p>We registered 1,236 members and had 2,300 people on the grounds.</p> <p>The EKPC electric car was enjoyed by the members.</p> <p>The e-bill promotion went well. We had 192 members sign up and signed up 184 members prior to the annual meeting. We will draw in August and December for another Amazon Echo (Alexa)</p>
PREPAY	We have 710 active prepay accounts with 9 inactive. The average balance is (\$43.87). Total number of payments in 30 days is 2,884, with an average payment of \$32.96.
DEBT MANAGEMENT	Eight (8) percent of active accounts have debt management. We have 55 active accounts. Total amount in debt management is \$14,044.60.
ENERGY EFFICIENCY	<p>Tina is working inside 3 days a week and work two days in the field. She performed the following audits:</p> <p>12 Energy Audits, 1 Touchstone Energy Home Audit, 1 Button-Up; 1 CARES and 1 Commercial Lighting in Progress.</p> <p>Ten Energy Star appliance rebates were done online by our consumers.</p>
SOLAR	We are still at 83 solar panels sold.
SCHOOL/COMMUNITY	Lewis Central Elementary –kids for the health and safety awareness in May program.
WASHINGTON YOUTH TOUR	We are sending 3 high school juniors on the Washington Youth Tour June 8-15.



CAMP CO-OP	The Camp Co-op will be held at GRECC June 13-14.
KIDS IN THE RACE	The Greenup County Fair in August will have the Kids in the Races on August 31.
ELECTRIC VEHICLES	Kim attended a meeting last month and there is a lot of information on electric vehicles (EVs). Brian Poling said in staff meeting that there are electric line trucks on the market.
G & T COMMUNICATOR'S MEETING	Kim has been invited to the G & T Communicator's Conference in Indiana next month.
2018 SEDC USER'S CONFERENCE	Kim will be attending the 2018 SEDC User's Conference in Atlanta in June.
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	<p>The following safety meetings were held during April 2018:</p> <p>April 2 – Sherry Buckler, Manager of Accounting and Human Resources, read from the safety manual on Personal Protective Equipment, Section 401 PPE, 402 Eye and Face Protection, 403 Head Protection, 404 Hearing Conservation, 405 Wearing Apparel and 406 Clothing pages 97-100. Kyle Clevenger explained that it was still wet weather and to slow down, be cautious, and watch driving the big trucks too close to the side of the road due to the road breaking off. All hard hats were replaced.</p> <p>April 9 – Kim Bush, Manager of Marketing and Member Services, asked Julie Lewis to read the article that Carol Ann Fraley wrote for the Kentucky Living magazine regarding our Lineman. Carol Ann gave each lineman a gift for Lineman's Appreciation Day and they were treated to breakfast. Kyle Clevenger spoke about a Lineman that had passed away due to not using safety equipment. He asked everyone to be careful due to wet and nasty conditions and he reminded everyone that it was prime conditions for slips, trips and falls.</p> <p>April 16 – Bradley Cherry, Manager of Finance and Accounting, was in charge of meeting. Gina Damron and Kenny Redmond with Dr. Gupta's office was here to administer the Hepatitis A shots. Mike Martin went over safety investigation for Richard Easton's accident with the boom on his vehicle. Mike Martin requested everyone to be careful and work safe today.</p> <p>April 24 – Kyle Clevenger, Manager of Operations, turned the meeting over to Tony Dempsey for the monthly KAEC safety meeting. The topic was avoiding Slips, Trips and Falls. He also went over a fatality in Mississippi. Kyle Clevenger asked that everyone be careful during the week.</p> <p>April 30 – Carol Ann Fraley, President and CEO, discussed the functions of a Coop, how and why it is formed for the members. She informed every one of the Fallen Lineman checks that can be ordered and a \$5.00 donation will be made to the organization thru the Credit Union. Kyle Clevenger requested everyone to change out their gloves today after safety meeting.</p>

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	The Construction Department built one hundred twenty-two (122) new work orders (12 services added and 47 services retired) for the month of April and worked zero (0) hours of overtime.
OVERTIME HOURS	The Maintenance Department worked two hundred sixty-four (264) hours of overtime during the month of April 2018. Number of work order overtime hours was one hundred forty-four (144). Engineering worked zero (0) overtime hours.
DELINQUENT NOTICES	There were 161 delinquents for May. Fifty-three (53) cards were issued to be disconnected and 6 accounts were disconnected by remote meter on May 8 for cycle 1. Eighty (80) cards were issued to be disconnected and 22 accounts were disconnected by remote meter on May 15 for cycle 2. Field personnel disconnected a total of 10 meters and a total of 16 meters were reconnected by field personnel and remote.
CONTRACT CREWS	Two Pike crews have been working in the following areas:  Tony Seagraves—Cains Creek, Lawrence County Bob Marrow—Bailey Hollow, 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 662 trees, cut 1,184 trees, cut 33,980 feet of brush/line and sprayed 0 spans of line. The crews are working in the following areas:  2 cutting crews in Carter, Lewis and Greenup Counties 2 cutting crews in Lawrence County 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 Lawrence County Smith Tree Service has a circuit crew on State Route 32 between Sandy Hook and Isonville in Elliott County.
ENGINEERING REPORT	The Engineering Department released one hundred fifteen (115) prints consisting of 1,635 feet of primary line and 2,732 feet of service wire. They currently have four (4) new services to be staked and four (4) to be drawn. They have approximately eight (8) miscellaneous jobs to be staked or drawn.
PIKE ELECTRIC	Pike Electric has changed their field representative. Terry Gilbert replaced Ronnie Gilbert.
CORRAL PARK	Mike Martin reported there are few issues in Corral Park and are handled as they come up.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve seventy-seven (77) new memberships and retirement of eighty-three (83) existing memberships for April 2018.

- BAD DEBT WRITE-OFFS Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to charge off \$7,777.79 worth of 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 Bentley and unanimously agreed to approve the President's business expense of \$31.00, Director's business expenses of \$17,138.58 and Attorney's business expense of \$6,269.00.
- PRESIDENT'S REPORT President Fraley reported on the following:
- THANK YOU NOTES President Fraley said GRECC had receive a thank you a card from Rowan County Senior High School Prom 2018.
- DONATIONS President Fraley presented to the Board for their consideration the following donation requests:
- |  |       |
|--|-------|
| Old Fashion Days - 53 <sup>rd</sup> annual celebration | \$100 |
| Rocky Adkins Public Library – reading program          | \$200 |
| Grayson He“Art” of the Parks                           | \$150 |
| Elliott County 4H Council – one camper for 4H camp     | \$205 |
| 4 J-C Committee – 4 <sup>th</sup> of July fireworks    | \$100 |
| 504 Fire Department – fish fry fundraiser              | \$100 |
|  | \$855 |
- Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to approve the donations as presented.
- MEETING ATTENDANCE President Fraley and some of the staff will be attending EKPC's Annual Meeting on June 5, 2018 along with Directors Dupuy, Arrington, Trent, Whitt and Bentley.
- BOARD MEETING DATE The Regular Board Meeting in June will be held Friday, June 22, 2018.
- ADDITIONAL BUSINESS Amish Oven, a new business, opened at mouth of Little White Oak.
- ADJOURN Chairman Dupuy adjourned the meeting at 11:50 a.m.

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

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

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









































President and CEO's Expenses

March 28, 2018 – April 12, 2018

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
5/07/18	174410	VISA Expenses:	
		*3/28 Staff Meeting, Grayson, KY lunch – meal	\$10.48
		*4/12 Nathan Whitt claim – meal	<u>\$12.86</u>
		Total Expenses	\$23.34

\*prorated expense



## DIRECTORS & ATTORNEY EXPENSES

April-18

**KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 687.20
<b>MISC</b>	-	0.00
<b>VISA</b>	- EKPC Aces Questionaire	8.71
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,334.03</b>

**JIM BENTLEY**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 602.18
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,240.89</b>

**HAROLD DUPUY**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 665.40
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 1,303.73</b>

**EDDIE MARTN**

<b>Per Diem</b>	- GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 617.44
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,256.15</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 643.60
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,281.72</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 676.30
<b>MISC</b>	-	-
<b>VISA</b>	- NRECA Annual Mtg.	0.50
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,314.92</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Special Bd. Mtg. (2/16); GRECC Bd. Mtg. (4/27)	\$ 645.78
<b>MISC</b>	-	-
<b>VISA</b>	- NRECA Summer School	1,218.00
	KAEC Bd. Mtg.	182.70
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,685.19</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>Excess Hrs</b>	- (20.5) hrs. PSC South KY Case	4,100.00
	(1.5) hrs. Nathan Whitt	300.00
	(7) hrs. Misc. for April	1,400.00
	(6) hrs. R/W Easements	1,200.00
<b>Out-of-Pocket</b>	- Record (66) R/W Easements	1,122.00
	Express Mail Fee (South KY Case)	49.40
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 8,171.40</u>

































June 22, 2018

At A Glance....

April

<u>kWh Sales (4/01 - 4/30)</u>		<u>Margins</u>	
Month	11.12%	Month \$	(128,462.61)
YTD	9.04%	YTD \$	1,085,884.33
<u>kWh Purchases (4/01 - 4/30)</u>		<u>OTIER</u>	
Month	11.46%	Month	(0.15)
YTD	8.96%	YTD	3.89
<u>Line Loss</u>			
Month	5.01%		
YTD	5.49%		

Fuel Adjustment (0.011216)

ESC 7.74%

Degree Days 439

Heating Degree Days 418

Cooling Degree Days 21

**Notes:**

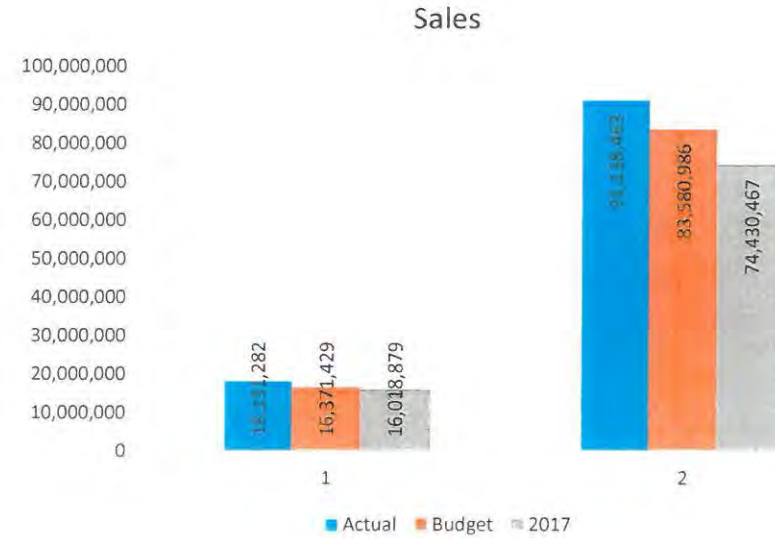
- Capital Credits
- 
-



**Sales**

**April**

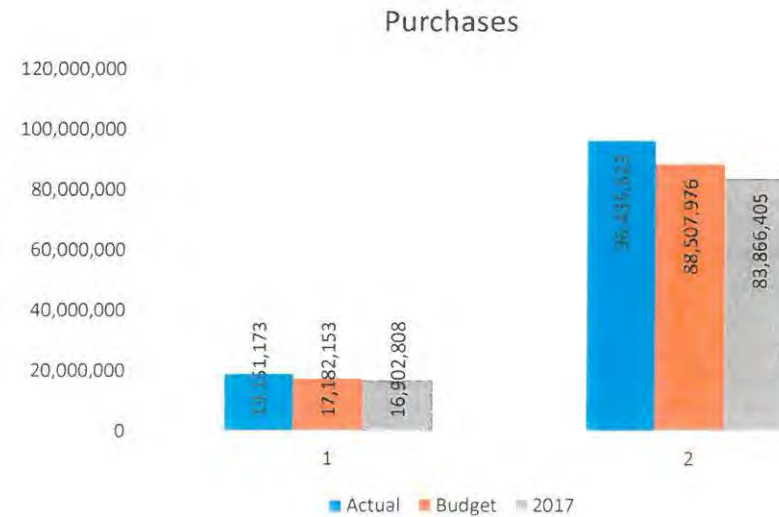
	2018	2017	2017-2015
Actual	18,191,282	16,018,879	16,064,162
Budget	16,371,429		
Difference	1,819,853 11.12%	2,172,403 13.56%	2,127,120 13.24%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	91,138,463	74,430,467	81,258,605
Budget	83,580,986		
Difference	7,557,477	16,707,996	9,879,858
% Difference	9.04%	22.45%	12.16%



**Purchases**

**April**

	2018	2017	2017-2015
Actual	19,151,173	16,902,808	17,316,490
Budget	17,182,153		
Difference	1,969,020 11.46%	2,248,365 13.30%	1,834,683 10.60%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	96,435,623	83,866,405	93,093,171
Budget	88,507,976		
Difference	7,927,647	12,569,218	3,342,452
% Difference	8.96%	14.99%	3.59%







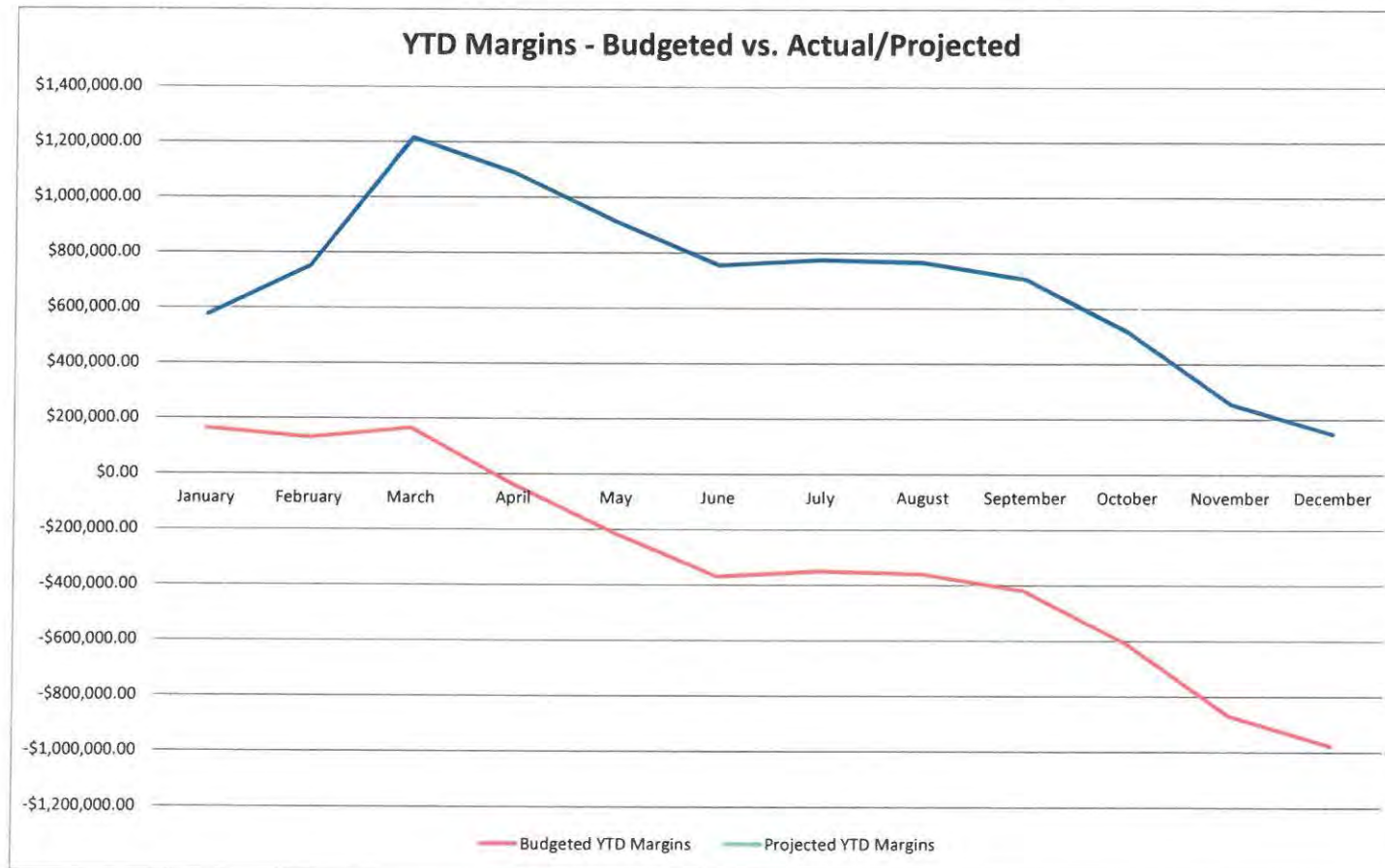
Monthly Operating Revenue & Expenses

	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018
Revenue	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,981,960)	(2,807,042)	(2,979,693)	(2,288,028)
Purchased Power	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915
Gross Margins	(870,423)	(1,071,075)	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)
Operations	139,866	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094
Maintenance	286,651	287,387	303,369	354,631	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989
Customer Service	92,360	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940
Informational Advertising	19,678	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762
Demonstration Advertising	1,751	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694
Admin & General	141,462	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694
Depreciation	288,292	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921
Regulatory	3,389	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423
Interest - LTD	80,130	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649
Interest - Deposits	665	677	671	668	670	671	668	664	593	1,408	1,396	1,392	1,391
Miscellaneous Expense	1,004	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266
Interest Income	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)
Non-Electric Revenue	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)
Capital Credits	-	-	(524)	-	-	(33,801)	-	-	-	-	(2,354)	(68,289)	-
Margins	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,165)	(177,210)	(483,971)	128,463
* ( )s = positive margins													
Operating Expenses	1,055,247	1,054,262	1,093,304	1,115,309	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,002,938	1,043,244	1,124,478	1,128,823
Monthly OTIER	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)
Revenue	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(29,888,584)	(30,165,783)
Purchased Power	17,423,578	17,413,418	17,374,726	17,259,561	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600
Gross Margins	(12,416,358)	(12,373,336)	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)
Operations	1,299,959	1,296,441	1,201,057	1,204,016	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,602	1,359,607	1,340,835
Maintenance	3,360,269	3,315,246	3,295,574	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,658	3,372,897
Customer Service	1,051,840	1,050,899	1,049,915	1,051,256	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572
Informational Advertising	251,076	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596
Demonstration Advertising	21,670	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,766	22,039	21,526	21,469
Admin & General	1,923,844	1,919,970	1,963,936	1,962,086	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064
Depreciation	3,391,510	3,403,080	3,414,522	3,425,750	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341
Regulatory	40,406	40,342	41,022	41,702	42,382	43,062	43,742	42,410	41,074	41,108	41,142	41,176	41,210
Interest - LTD	904,907	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553	996,207	1,010,095	1,041,814
Interest - Deposits	5,674	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,683	9,414	10,143	10,869
Miscellaneous Expense	94,416	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148	35,746	39,893	49,372	53,634
Interest Income	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)
Non-Electric Revenue	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,682)
Capital Credits	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)
Margins	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,829	1,277,615	411,413	368,266
Operating Expense	12,345,572	12,289,242	12,229,061	12,307,340	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102
Rolling 12 Month OTIER	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	\$0.00	-\$176,183.77			-\$215,876.85		\$909,700.56
June	\$0.00	-\$155,336.77			-\$371,213.62		\$754,363.79
July	\$0.00	\$20,126.23			-\$351,087.39		\$774,490.02
August	\$0.00	-\$9,898.77			-\$360,986.16		\$764,591.25
September	\$0.00	-\$60,686.77			-\$421,672.93		\$703,904.48
October	\$0.00	-\$189,227.77			-\$610,900.70		\$514,676.71
November	\$0.00	-\$260,909.77			-\$871,810.47		\$253,766.94
December	\$0.00	-\$107,366.41			-\$979,176.88		\$146,400.53





## Margins/Tier

### April

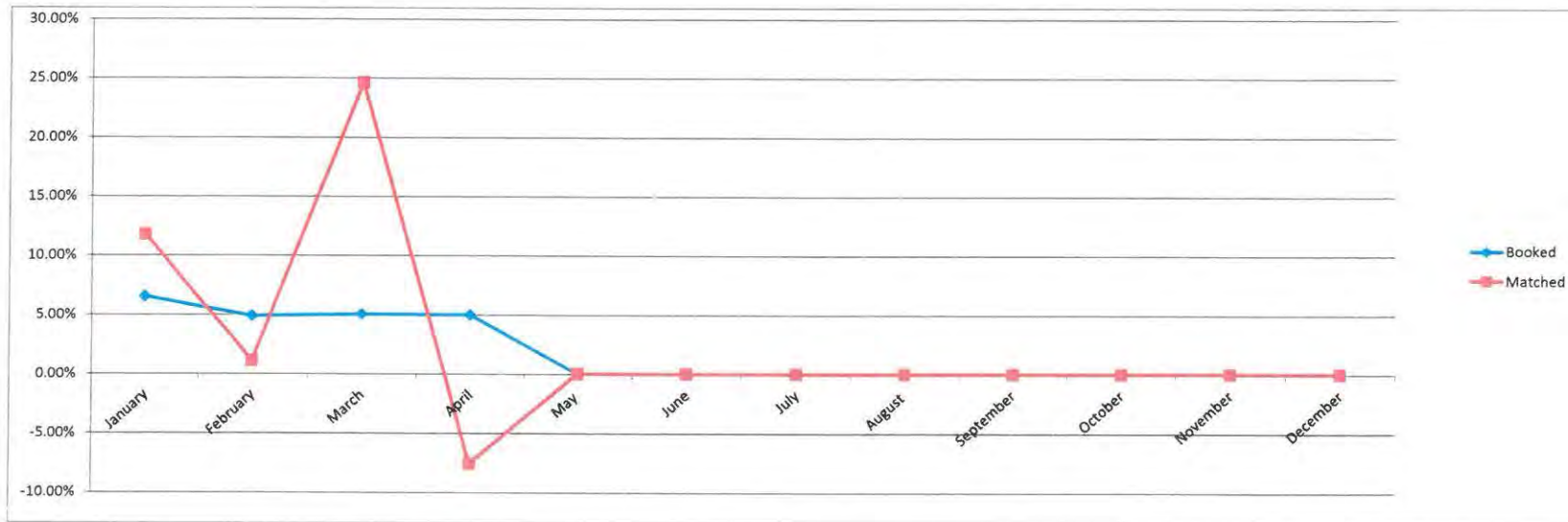
	2018	2017	2017-2015
Revenue	(2,288,028)	(2,008,830)	(1,988,215)
Purchase Power	1,291,915	1,138,407	1,142,742
<i>Gross Margins</i>	(996,113)	(870,423)	(845,473)
Operating Expenses	1,128,823	1,055,247	1,048,037
Margins	128,463	173,610	198,938
OTIER	(0.15)	(1.17)	(1.58)

### Year to Date

	2018	2017	2017-2015
Revenue	(11,956,724)	(9,252,083)	(10,103,388)
Purchase Power	6,571,077	5,721,080	6,322,570
<i>Gross Margins</i>	(5,385,647)	(3,531,003)	(3,780,819)
Operating Expenses	4,389,481	4,216,932	4,260,877
Margins	(1,085,884)	596,335	349,232
OTIER	3.89	-1.55	-0.14



	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>2018</b>													
Sales	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00									
<b>2017</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00									
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00									96,435,623.00
<b>2017</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00									83,866,405.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,297,160.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	-1,288,474.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,263,535.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.49%
<b>2017</b>	11.76%	1.08%	24.58%	-7.62%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7.53%





2018 April Bill				2017 April Corresponding Dates			2017 April Bill				
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Apr	48	17	0	17	0	48	1-Apr	21-Apr	65	0	0
2-Apr	42	23	0	9	0	56	2-Apr	22-Apr	50	15	0
3-Apr	61	4	0	8	0	57	3-Apr	23-Apr	50	15	0
4-Apr	48	17	0	1	0	64	4-Apr	24-Apr	59	6	0
5-Apr	40	25	0	0	0	65	5-Apr	25-Apr	63	2	0
6-Apr	53	12	0	16	0	49	6-Apr	26-Apr	68	0	3
7-Apr	36	29	0	21	0	44	7-Apr	27-Apr	69	0	4
8-Apr	36	29	0	17	0	48	8-Apr	28-Apr	65	0	0
9-Apr	39	26	0	7	0	58	9-Apr	29-Apr	74	0	9
10-Apr	41	24	0	0	4	69	10-Apr	30-Apr	79	0	14
11-Apr	49	16	0	0	5	70	11-Apr	1-May	67	0	2
12-Apr	66	0	1	2	0	63	12-Apr	2-May	61	4	0
13-Apr	75	0	10	3	0	62	13-Apr	3-May	55	10	0
14-Apr	75	0	10	0	1	66	14-Apr	4-May	61	4	0
15-Apr	57	8	0	0	6	71	15-Apr	5-May	56	9	0
16-Apr	40	25	0	0	5	70	16-Apr	6-May	53	12	0
17-Apr	45	20	0	0	4	69	17-Apr	7-May	52	13	0
18-Apr	58	7	0	0	2	67	18-Apr	8-May	50	15	0
19-Apr	47	18	0	0	3	68	19-Apr	9-May	51	14	0
20-Apr	48	17	0	0	8	73	20-Apr	10-May	68	0	3
21-Apr	54	11	0	0	0	65	21-Apr	11-May	69	0	4
22-Apr	58	7	0	15	0	50	22-Apr	12-May	58	7	0
23-Apr	57	8	0	15	0	50	23-Apr	13-May	62	3	0
24-Apr	55	10	0	6	0	59	24-Apr	14-May	68	0	3
25-Apr	54	11	0	2	0	63	25-Apr	15-May	68	0	3
26-Apr	54	11	0	0	3	68	26-Apr	16-May	71	0	6
27-Apr	62	3	0	0	4	69	27-Apr	17-May	76	0	11
28-Apr	55	10	0	0	0	65	28-Apr	18-May	77	0	12
29-Apr	47	18	0	0	9	74	29-Apr	19-May	72	0	7
30-Apr	53	12	0	0	14	79	30-Apr	20-May	75	0	10
	51.8	418	21	139	68	62.6		63.7	129	91	
			439			207				220	

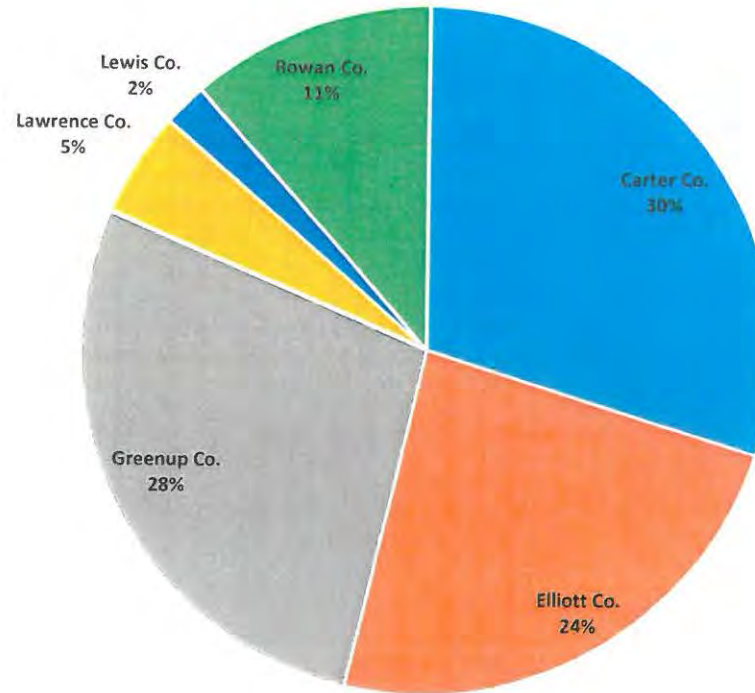




**Bills by County**

	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17
Carter Co.	4,585	4,581	4,591	4,590	4,585	4,618	4,572		4,607	4,584	4,588	4,587	4,565
Elliott Co.	3,660	3,661	3,668	3,666	3,646	3,671	3,662		3,686	3,666	3,665	3,642	3,638
Greenup Co.	4,274	4,272	4,280	4,281	4,286	4,339	4,319		4,368	4,357	4,352	4,334	4,342
Lawrence Co.	766	768	768	774	780	785	774		782	773	781	776	779
Lewis Co.	316	310	317	313	316	312	316		313	315	311	311	313
Rowan Co.	1,765	1,772	1,761	1,765	1,777	1,790	1,770		1,771	1,763	1,755	1,757	1,752
	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407	15,389

**# of Bills  
April 2018**





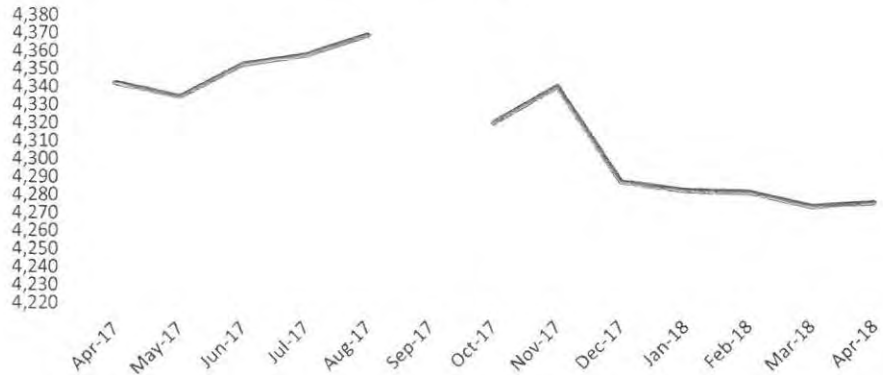
Carter Co.



Elliott Co.



Greenup Co.



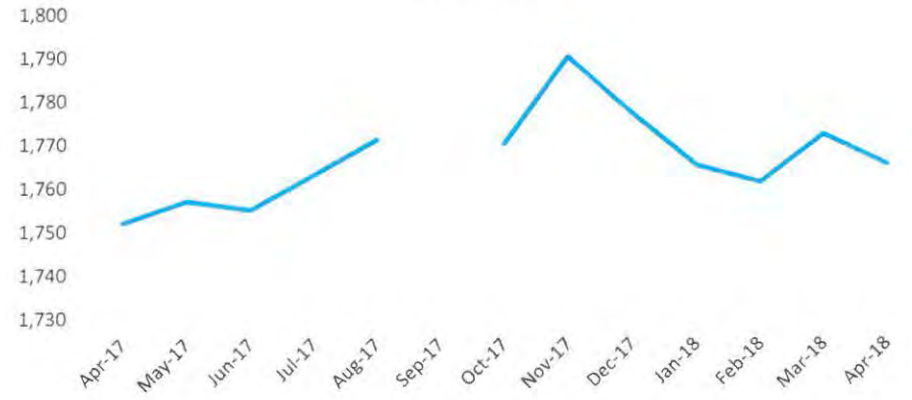
Lawrence Co.



Lewis Co.



Rowan Co.





**APRIL 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		40		549.42	(549.42)	
100	NEW LINE EXTENSIONS		12		35,766.82	35,766.82	2,980.57
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		1		5,596.58	5,596.58	5,596.58
603	SECTIONALIZERS		3		2,824.43	2,824.43	
604	REGULATORS						
606	POLES		25	POLES	100,881.99	100,881.99	4,035.28
701	SECURITY LIGHTS		32		19,883.35	19,883.35	621.35
1600	MINOR PROJECTS		3		3,189.39	3,189.39	
	TOTAL		116		<b>168,691.98</b>	<b>167,593.14</b>	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	0		0.00	0.00	0.00
	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		0		<b>0.00</b>	<b>0.00</b>	
	MATERIAL				<b>36,700.56</b>		
	MATERIAL OH				<b>32,176.76</b>		
	LABOR				<b>18,660.13</b>		
	LABOR OH				<b>45,153.68</b>		



## REVENUE SUMMARY APRIL 2018

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 293,296.39	\$ 4,009.69	\$ 5,534.11	\$ 13.75	\$ 2,480.00	\$ 13,450.07	\$ 318,784.01	\$ 8,209.71	\$ -	\$ 6,939.57	2,477	2,445,287
\$ 284,860.94	\$ 2,706.38	\$ 10,451.62	\$ 24.75	\$ 1,049.30	\$ 12,778.20	\$ 311,871.19	\$ 6,192.51	\$ -	\$ 6,521.64	2,927	2,334,713
\$ 62,157.61	\$ 916.88	\$ 1,495.67	\$ 5.50	\$ 654.98	\$ 2,898.96	\$ 68,129.60	\$ 1,574.21	\$ -	\$ 1,491.00	643	503,712
\$ 781,616.47	\$ 7,726.65	\$ 18,211.43	\$ 74.25	\$ 2,623.11	\$ 34,651.00	\$ 844,902.91	\$ 17,125.47	\$ 24.54	\$ 18,028.10	5,832	6,631,038
\$ 169.71	\$ 19.10	\$ 1,349.37	\$ 2.75	\$ 9.33	\$ 68.55	\$ 1,618.81	\$ 28.59	\$ 3.18	\$ 40.79	105	10,484
<b>\$ 1,422,101.12</b>	<b>\$ 15,378.70</b>	<b>\$ 37,042.20</b>	<b>\$ 121.00</b>	<b>\$ 6,816.72</b>	<b>\$ 63,846.78</b>	<b>\$ 1,545,306.52</b>	<b>\$ 33,130.49</b>	<b>\$ 27.72</b>	<b>\$ 33,021.10</b>	<b>11,984</b>	<b>11,925,234</b>
\$ 17,399.28	\$ 67.52	\$ 451.20	\$ -	\$ -	\$ 750.58	\$ 18,668.58	\$ 293.78	\$ -	\$ 291.20	341	79,499
\$ 16,050.89	\$ 92.17	\$ 284.76	\$ -	\$ 69.99	\$ 703.80	\$ 17,201.61	\$ 410.32	\$ 12.03	\$ 219.53	339	69,738
\$ 17,870.28	\$ 74.23	\$ 702.56	\$ -	\$ 30.00	\$ 790.57	\$ 19,467.64	\$ 427.62	\$ 4.48	\$ 329.74	451	64,977
\$ 38,196.07	\$ 143.88	\$ 1,074.75	\$ -	\$ 52.75	\$ 1,658.25	\$ 41,125.70	\$ 620.61	\$ 131.35	\$ 927.23	862	155,790
\$ 6,447.03	\$ 27.91	\$ 203.28	\$ -	\$ 20.00	\$ 282.74	\$ 6,980.96	\$ 155.78	\$ 36.06	\$ 121.99	141	27,211
\$ 658.23	\$ 1.29	\$ 39.09	\$ -	\$ -	\$ 29.24	\$ 727.85	\$ 21.93	\$ -	\$ 17.56	23	1,540
\$ 1,187.84	\$ 15.10	\$ 47.73	\$ -	\$ 10.00	\$ 56.68	\$ 1,317.35	\$ 19.82	\$ -	\$ 30.51	32	4,540
<b>\$ 97,809.62</b>	<b>\$ 422.10</b>	<b>\$ 2,803.37</b>	<b>\$ -</b>	<b>\$ 182.74</b>	<b>\$ 4,271.86</b>	<b>\$ 105,489.69</b>	<b>\$ 1,949.86</b>	<b>\$ 183.92</b>	<b>\$ 1,937.76</b>	<b>2,189</b>	<b>403,295</b>
\$ 142,314.00	\$ 971.15	\$ 3,562.47	\$ 5.50	\$ -	\$ 6,152.14	\$ 153,005.26	\$ 2,683.90	\$ 6,500.05	\$ 3,772.05	947	1,144,832
\$ -	\$ 1.70	\$ 293.05	\$ -	\$ -	\$ 12.36	\$ 307.11	\$ 9.56	\$ 15.68	\$ 8.90	9	2,026
\$ 15,743.62	\$ 102.54	\$ 1,570.44	\$ -	\$ -	\$ 729.67	\$ 18,146.27	\$ 45.97	\$ 369.71	\$ 409.86	156	120,612
<b>\$ 158,057.62</b>	<b>\$ 1,075.39</b>	<b>\$ 5,425.96</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 6,894.17</b>	<b>\$ 171,458.64</b>	<b>\$ 2,739.43</b>	<b>\$ 6,885.44</b>	<b>\$ 4,190.81</b>	<b>1,112</b>	<b>1,267,470</b>
\$ 178,507.28	\$ 1,600.94	\$ 1,055.92	\$ -	\$ -	\$ 7,590.75	\$ 188,754.89	\$ 2,189.35	\$ 6,584.42	\$ 4,695.89	69	1,883,455
\$ 78.46	\$ 0.24	\$ -	\$ -	\$ -	\$ 3.30	\$ 82.00	\$ -	\$ 4.92	\$ -	1	280
\$ 33,514.97	\$ 295.94	\$ 476.00	\$ -	\$ -	\$ 1,436.62	\$ 35,723.53	\$ 1,800.56	\$ -	\$ 1,071.70	8	348,141
<b>\$ 212,100.71</b>	<b>\$ 1,897.12</b>	<b>\$ 1,531.92</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,030.67</b>	<b>\$ 224,560.42</b>	<b>\$ 3,989.91</b>	<b>\$ 6,589.34</b>	<b>\$ 5,767.59</b>	<b>78</b>	<b>2,231,876</b>
\$ 143,812.54	\$ 2,005.53	\$ 28.94	\$ -	\$ -	\$ 6,110.99	\$ 151,958.00	\$ -	\$ 5,857.79	\$ 4,558.74	2	2,359,447
<b>\$ 143,812.54</b>	<b>\$ 2,005.53</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,110.99</b>	<b>\$ 151,958.00</b>	<b>\$ -</b>	<b>\$ 5,857.79</b>	<b>\$ 4,558.74</b>	<b>2</b>	<b>2,359,447</b>
\$ -	\$ 3.37	\$ 599.69	\$ -	\$ -	\$ 25.27	\$ 628.33	\$ -	\$ -	\$ 18.85	1	3,960
\$ -	\$ 3.37	\$ 599.69	\$ -	\$ -	\$ 25.27	\$ 628.33	\$ -	\$ -	\$ 18.85	1	3,960
<b>\$ 2,033,881.61</b>	<b>\$ 20,782.21</b>	<b>\$ 47,432.08</b>	<b>\$ 126.50</b>	<b>\$ 6,999.46</b>	<b>\$ 90,179.74</b>	<b>\$ 2,199,401.60</b>	<b>\$ 41,809.69</b>	<b>\$ 19,544.21</b>	<b>\$ 49,494.85</b>	<b>15,366</b>	<b>18,191,282</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 69,039.06</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,310,250.35</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 12, 2018

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 twentieth day of July 2018 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

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

July 12, 2018

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 20, 2018 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

BOARD MEETING AGENDA

On July 20, 2018 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 June 2018 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for May 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Tentative – Discussion on Cost of Service Study
9. Cooperative Legal Matters – W. Jeffrey Scott
10. Manager of Technical Services Report – Brian Poling
11. Manager of Marketing & Member Services Report – Kim Bush
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of One Hundred Eight (108) New Memberships and Retirement of One Hundred Three (103) Existing Memberships for June 2018
14. Consider Approval of Accounts to be Charged Off to Reserve \$7,670.87
15. Consider Approval of President's Business Expense in the Amount of \$102.73, Director's Business Expense in the Amount of \$6,816.21 and Attorney's Business Expense in the Amount of \$25,876.24
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Any Meetings Held
19. Confirm Date for Future Board Meeting – Friday, August 24, 2018
20. Additional Business
21. Adjourn



On June 22, 2018 at 8:00 a.m. Grayson Rural Electric 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 present.

Chairman Dupuy immediately called for an executive session at 8:00 a.m.

EXECUTIVE SESSION	Following discussion, Chairman Dupuy closed the Executive Session and commenced the regular Board Meeting Agenda at 9:00 a.m.  At that time, the meeting was joined by President and CEO, Carol Hall Fraley, Priscilla Sparks, Executive Assistant, and Bradley Cherry, Manager of Finance & Accounting.
INVOCATION	Director Whitt 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 2018 Board Meeting.
PRESIDENT'S REPORT	President Fraley reported on the following:
GREAT HORN OWL	A Great Horned Owl was electrocuted on one of our transformers in South Shore yesterday. We received a call from the Department of Fish and Wildlife representative, Kate Flankard. A member of the Cooperative, Danny Murray, had sent a report to Fish and Wildlife. President Fraley spoke with Ms. Flankard to see what our responsibilities might be. President Fraley asked maintenance man, Mike Blevins, to investigate this incident and measure and take pictures.
JEFF MOORE/PSC	Jeff Moore with the Public Service Commission was here Monday, Tuesday and Wednesday this week to do our system inspection. He will return in three weeks with a report.
RIGHT-OF-EASEMENTS	The right-of-way easements are continuing to be recorded. Director Trent said several have been recorded in Rowan County.
RALPH FERGUSON	President Fraley has been advised by Rosemary Tutt at the KPSC to send a certified letter to the renter and inform them that property owner, Ralph Ferguson has refused to sign a right-of-way easement, so service will be disconnected on a certain day. This should give them time to make other arrangements.
PUBLIC SERVICE COMMISSION	We are waiting on the Public Service Commission to rule on our metering request. This issue is holding up our work plan, coordination plans and a number of other things.
RATE INCREASE	The Board continues to study plans and options for our rate case. We don't want to file a rate increase until we get a ruling on the metering from the PSC. Alan and Jim will report on the cost of service study at the July meeting.
KAEC DIRECTOR'S REPORT	Director Whitt reported the following on the KAEC Board Meeting this month:

KAEC DIRECTOR'S REPORT  
(CONTINUED)

There have been two meetings since the last board meeting, May 30<sup>th</sup> and June 19<sup>th</sup>.

The financial report included two months and indicated a profit for the first time in five or six years. They used the sale of the building to show a profit of \$80,000 this year to date.

KENTUCKY SALES TAX

The state is considering sales tax on right-of-way. This would be very costly for the Cooperatives. We are working against this and hope to make our lawmakers understand that our right or way programs are not landscaping.

CUSHION OF CREDIT

When RUS interest rates started to raise, EKP decided to check other sources of financing. They were able to find sources of financing on the stock exchange at good interest rates. When RUS was finally able to offer competitive interest rates, EKPC began to move financing back to RUS. However, they also decided to establish a separate "cushion of credit" on the market. At this point, they have \$513 million dollars or more invested in a cushion of credit.

Tony Campbell presented information on the Impact of Changes to Cushion of Credit and options for relief. The "Cushion of Credit" is a special deposit account at USDA-RUS. Deposits made into this account by RUS borrowers, including East Kentucky Power Cooperative ("EKPC"), can only be used to make scheduled principal and interest payments to RUS for RUS/FFB debt. Funds in the cushion cannot be withdrawn nor used for any other purpose. Funds in the cushion earn interest at an annual, statutory rate of 5%. Senate Provision in the Farm Bill: reduces the interest rate on balances in the cushion to the 5-year treasury rate (about 2.8% today), and prohibits any new deposits, both effective October 1, 2018. Mr. Campbell encouraged all cooperative managers to call and email house and senate representatives regarding this issue.

STATE PARKS

Several state parks served by Cooperatives want all work inside the state parks done for free. President Fraley said they send us a description of the work and we respond with an estimated price. Once this is approved, they send us a work order. We complete the work and bill the park.

EKPC DIRECTOR'S REPORT

Director Arrington reported the following on the EKP Board Meeting this month:

Everyone enjoyed the good food at the Annual Meeting. Everything seems to be going well.

He talked to Mike McNeely and Don Mosier Thursday about the South Kentucky case and they both said the Public Service Commission has not made any decision.

A brief was filed to see if we can ask what the PSC is going to rule on. It appears the PSC would like to change Amendment 3 to Amendment 5, so EKP would have 100% control over these small projects.

FINANCIAL & STATISTICAL  
REPORT FOR APRIL 2018

Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for April 2018:



SALES AND PURCHASES	Kilowatt hour sales for the month of April (4/1-4/30) were 11.12% over budget. Purchases for the month of April (4/1-4/30) were 11.46% over budget. Line loss for the last twelve months was 5.49%. Year-to-date margins were (\$128,463) compared to the budgeted amount of (\$203,633).
FUEL ADJUSTMENT	The fuel adjustment for January was (0.011216).
ESC	The environmental surcharge was 7.74%.
DEGREE DAYS	There were 439 degree days; 418 heating degree days and 21 cooling degree days.
T.I.E.R.	April 2018's monthly O.T.I.E.R. was (0.15) with the rolling 12 month O.T.I.E.R. of .65. The year to date is 3.89.
BILLS BY COUNTY	There were 15,366 bills for April 2018. Bills per county were Carter 4,585, Elliott 3,660, Greenup 4,274, Lawrence 766, Lewis 316 and Rowan 1,765. Two more bills compared to the month of March.
CAPITAL CREDITS	We paid 17 capital credits totaling \$14,454.29. We have 9 outstanding applications, received 2 applications and have 17 incomplete applications. The checks will be mailed Monday.
APPROVAL OF FINANCIAL & STATISTICAL REPORT	Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the Financial and Statistical Report for April 18, 2018, as presented for informational purposes only.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following:
RIGHT-OF-WAY EASEMENTS	Since May 25 <sup>th</sup> through June 19, 2018, he has reviewed 168 easements and signed off on those. There was 141 recorded and returned back to the Coop, and we are waiting for a few more to be returned. There have been 37 recorded in Elliott County, 23 in Rowan County, 1 in Lewis County, 18 in Lawrence County, 60 in Carter County, 2 in Greenup County and several other easement sent to Greenup. The cost was \$2,023 for recording; \$17 fee for recording each easement.
SOUTH KENTUCKY RECC	Mr. Scott continues to work on the South Kentucky case. South KY has filed their brief and Nucor (formerly Gallatin Steel), an intervenor, has filed their brief. They are opposed to South Kentucky's right to buy off system power. He is working on our brief and it will be filed by next Friday.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services, reported on the following:
AMI CASE	We haven't heard from the PSC concerning our AMI Case Number. We have asked Jeffrey to write a letter to expedite the request.
PSC INSPECTION	Mr. Moore with the PSC, spent a lot of time with metering last week. He went through a check list. As far as we know, we were in compliance.
CORP OF ENGINEERS SOLAR PROJECT	We will meet with the Corp of Engineers on Monday regarding their solar project. They plan to install 30 kW of solar at the spillway instead of the originally proposed 70kW, to comply with our net metering tariffs.

## LOAD FORECAST

Carol Ann and part of the staff met with Sally Witt and the Load Forecast team from East Kentucky and developed our next Load Forecast. This data is used with our long term work plan. A power point summary was shown for 2022 and 2027.

2018 Load Forecast Resolution – We expect our residential consumers to increase in the next 10 years, from 14,222 to 14,484 and their kW consumption to increase from 972 to 1,033. We project based on history and economic indicators. Our Commercial loads may have a small increase, with no increase on the commercial/industrial load, Elliott County Prison and Smithfield. Our load factor shows a tendency to decrease. This does not include any load increase from electric cars, although we are studying and planning for that situation. Our current projects will use 77.9 megawatts as our peak. We are reducing our analysis by .10 megawatts.

Priscilla Sparks was asked to read the Resolution regarding the Load Forecast.

SEE ATTACHED RESOLUTION ON NEXT PAGE

LOAD FORECAST (CONTINUED)

## Grayson Rural Electric Cooperative Corporation

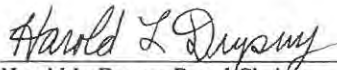
109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

### GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION


#### RESOLUTION

**WHEREAS**, the 2018 Load Forecast Study has been prepared by East Kentucky Power Cooperative (EKPC) using an end-use model, with full participation of Grayson Rural Electric Cooperative's President and Staff;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors approves the 2018 Load Forecast Study for use in the Four Year Work Plan, Financial Forecast and other studies, and as part of the EKPC Load Forecast Study.

  
Harold L. Dupuy, Board/Chairman

June 22, 2018  
Date

A Touchstone Energy Cooperative 

Motion was made by Director Martin, seconded by Director Bentley to adopt the Load Forecast Resolution. Motion carried unanimously.

MANAGER OF MARKETNG & MEMBER SERVICES	Kim Bush, Manager of Marketing & Member Services presented the member services and marketing report.
ANNUAL MEETING	Kim reported she didn't have all the information for a full annual meeting report.
NATIONAL COMMUNICATOR CONFERENCE	She was in Bloomington, Indiana this week presenting Camp Co-op. She shared a picture of Director Martin's son at the National Communicator Conference. Several Co-ops were interested in starting their own camps.
CAMP CO-OP	The Camp Co-op was a success again this year with 16 kids. They were with us for two days. Fleming Mason brought up their safety trailer and Alan and Nancy Kuehner gave a great presentation on electricity. Our summer employees were a great help with the campers.
PREPAY	We have 753 active prepay accounts with 8 inactive accounts. The average balance is (\$45.36). Total number of payments in 30 days was 3,033, with an average payment of \$33.73.
DEBT MANAGEMENT	We have 69 active accounts with debt management, totaling \$16,974.71.
ENERGY EFFICIENCY	Tina perfomed the following audits:  4 Energy Audits and 1 Touchstone Energy Home Audit, and 1 Commercial Lighting in Progress.
SOLAR	We are still at 83 solar panels sold.
KIDS IN THE RACE	The Greenup County Fair in August will have the Kids in the Races on August 31.
ANNOUNCEMENTS	December 14th is service awards dinner at the Olive Hill Historical Society.
2018 SEDC USER'S CONFERENCE	Kim, Caitlin Hutchinson, Anita Bellew and Andrea McCleese will be attending the 2018 SEDC User's Conference in Atlanta, June 24-28, 2018.
OPERATIONS & SAFETY	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 May 2018:  May 7 – Mike Martin, Assistant Manager of Operations, turned the meeting over to Kim Bush, who handed out job duties for the Annual Meeting, Thursday, May 10 <sup>th</sup> .  May 14 – Andrea McCleese, Technical Services Supervisor, read from the safety manual, Metering. She also went over how to handle tick bites and the signs of Lyme Disease. Carol Fraley stated how pleased she was with the Annual Meeting. Kyle Clevenger asked everyone to have a safe day and due to the hot weather make sure you keep plenty of Gator Aid and water to stay hydrated.

SAFETY REPORT  
(CONTINUED)

May 21 – Brian Poling, Manager of Technical Service, turned the meeting over to Robert Brown, who did a power point on Electric Vehicles, explaining the different models, charging stations, fast charge, kWh to gasoline, growth of electric vehicles in Kentucky, cooperative impacts and strategies, and suggestion for GRECC Tariff. Kyle Clevenger went over Sherry Buckler's accident. He asked everyone to be careful over the weekend.

May 29 – Priscilla Sparks, Executive Assistant, was in charge. Shane McDavid and Justin Staniford discussed water safety. A video of Bobber the Water Safety Dog and a power point on Water Safety was shown. The main topics were drowning, boating/swimming, flooding, working with water, slips, trips, falls, low visibility, and slick roads. Kyle Clevenger explained that it is hot and muggy and we need to slow down and drink plenty of liquids and watch out for 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.

CONSTRUCTION

The Construction Department built one hundred sixteen (116) new work orders for the month of February and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked four hundred forty-seven (447) hours of overtime during the month of May 2018 and the number of work order overtime hours worked by maintenance was one hundred thirty-six (136). The Engineering Department worked eleven (11) hours of overtime.

DELINQUENT NOTICES

There were 144 delinquents for June. Eighty-two (82) cards were issued to be disconnected and 17 accounts were disconnected by remote meter June 7<sup>th</sup> for cycle 1. Sixty-two (62) cards were issued to be disconnected and 22 accounts were disconnected by remote meter on June 14<sup>th</sup> for cycle 2. Field personnel disconnected a total of 5 meters and a total of 31 meters were reconnected by field personnel and remote.

CONTRACT CREWS

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

Tony Seagraves – Cains Creek, Lawrence County and Corral Park, Carter County

Bob Marrow – Bailey Hollow, Carter County and Coordination and Pole Changes, Greenup and Carter Counties

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 545 trees, cut 1,019 trees and cut 20,000 feet of brush/line. The crews are working in the following areas:

2 cutting crews in Carter, Lewis and Greenup Counties

2 cutting crews in Lawrence County

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 Elliott County

Smith Tree Service – circuit crew at State Route 32 between Sandy Hook and Isonville, Elliott County

ENGINEERING REPORT

The Engineering Department released one hundred twenty-one (121) prints consisting of 3,367 feet of primary line and 1,803 feet of overhead secondary service wire. They currently have four (4) new services to be staked and four (4) to be drawn. They have approximately eight (8) miscellaneous jobs to be staked or drawn.

President Fraley said KAEC would be hosting a NUTSEA meeting the week after the rodeo. We would like to have some people attend because it is usually too far away to go.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF MEMBERSHIPS

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve one hundred twenty-one (121) new memberships and retirement of ninety-five (95) existing memberships for February 2018.

BAD DEBT WRITE-OFFS

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to charge off \$13,816.35 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 Trent, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$23.34, Director's business expenses of \$10,416.63 and Attorney's business expense of \$8,171.40.

THANK YOU

We received a thank you letter from "HeArt of the Parks" sponsored by the Grayson Gallery & Art Center and a thank you note from the Greenup County Cheerleaders.

DONATIONS

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

Ohio University Southern Campus – Equestrian Team sponsor	\$50
Carter Christian Academy – golf scramble 6/9/18 - 2 holes sponsored	\$100
Elliott Co. Family Resource & Youth Service Center – Redi-Fest	\$100
Lewis Co. Educational Foundation – Back to School event	<u>\$100</u>
	\$350

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

MEETING REPORTS

Upcoming meetings will be attended by the following directors and employees:

Robert Brown and Tony Brewer – drone school in Maysville, KY  
Kim Bush, Anita Bellew, Andrea McCleese and Caitlin Hutchinson – SEDC User's Conference in Atlanta, GA, June 23 – 28, 2018  
Jimmy Whitt – NRECA Directors Summer School, Savannah, GA, July 26 – 30, 2018  
Priscilla Sparks, Kyle Clevenger and Nancy Madden – KAEC 2018 Accident Investigation and Record Keeping Training, McKee, KY, July 30-31, 2018

BOARD MEETING DATE

The July Board Meeting is scheduled for Friday, July 20, 2018.

ADDITIONAL BUSINESS      Director Rice announced his decision to retire, effective immediately, due to family responsibilities and health reasons. A retirement dinner will be held for him at the July Board Meeting. The Board will consider action on this issue.

EXECUTIVE SESSION      Director Martin made a motion to go to executive session at 11:30 a.m. including President Fraley. Following thorough discussion, Director Bentley made a motion to conclude the Executive Session at 11:45 a.m.

ADJOURN      Chairman Dupuy adjourned the meeting at 11:50 a.m.

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Harold L. Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel








Grayson RECC Employees

July 12, 2018

From: Bradley Cherry 

## **Fuel Adjustment & Environmental Surcharge**

**Effective: August 1, 2018**

Fuel Adjustment Rate: (.003894) CREDIT PER KWH

Environmental Surcharge: 8.84%













































President and CEO's Expenses

April 2018 – May 2018

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
6/04/18	174593	VISA Expenses:	
		*4/18 – Lineman School, Morehead, KY	\$21.18
		*4/19 – Rate Case discussion Mtg., Grayson, KY	\$13.84
		*4/27 – GRECC Board Meeting, Grayson, KY	\$15.22
		*5/14 – worked during lunch – high volume calls/bills	\$13.79
		*5/15-17 – PSC SKY Hearing, Frankfort, KY	\$38.70
		Total Expenses	\$102.73

\*prorated expense





## DIRECTORS & ATTORNEY EXPENSES

May-18

### KENNETH ARRINGTON

Per Diem	- GRECC Bd. Mtg. (5/25)	\$ 343.60
MISC	- Background Check	48.00
VISA	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,029.72</b>

### JIM BENTLEY

Per Diem	- GRECC Bd. Mtg. (5/25)	\$ 301.09
MISC	-	-
VISA	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 939.80</b>

### HAROLD DUPUY

Per Diem	- GRECC Bd. Mtg. (5/25)	\$ 332.70
MISC	-	-
VISA	- Lunch GRECC Bd. Mtg. (4/27)	15.22
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 986.25</b>

### EDDIE MARTN

Per Diem	- GRECC Bd. Mtg. (5/25)	\$ 308.72
MISC	-	-
VISA	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 947.43</b>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (5/25)	\$ 321.80
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 959.92</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (5/25)	\$ 338.15
<b>MISC</b>	-	-
<b>VISA</b>	Lunch GRECC Bd. Mtg. (4/27)	15.22
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 991.49</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (5/25)	\$ 322.89
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 961.60</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>Excess Hrs</b>	(100) hrs. PSC South KY Case	20,000.00
	(3.25) hrs. Misc. for May	650.00
	(13) hrs. R/W Easements	2,600.00
<b>Out-of-Pocket</b>	Record (100) R/W Easements	1,700.00
	Hotel Fees - PSC Hearing	682.32
	Mileage - PSC Hearing	218.00
<b>VISA</b>	PSC South KY Hearing	25.92
<b>TOTAL</b>	-	<u>\$ 25,876.24</u>





































# Grayson Rural Electric Financial Report

2018 Board Materials  
 Mailed on board  
 5/16/18  
 Packets

July 20, 2018

## At A Glance....

May

<u>kWh Sales (5/01 - 5/31)</u>		<u>Margins</u>	
Month	11.12%	Month \$	(345,930.00)
YTD	9.04%	YTD \$	739,954.00
<u>kWh Purchases (5/01 - 5/31)</u>		<u>OTIER</u>	
Month	11.46%	Month	(2.66)
YTD	8.96%	YTD	2.57
<u>Line Loss</u>			
Month	4.60%		
YTD	5.34%		

Fuel Adjustment (0.014245)

ESC 8.11%

Degree Days 238

Heating Degree Days 6

Cooling Degree Days 232

### Notes:

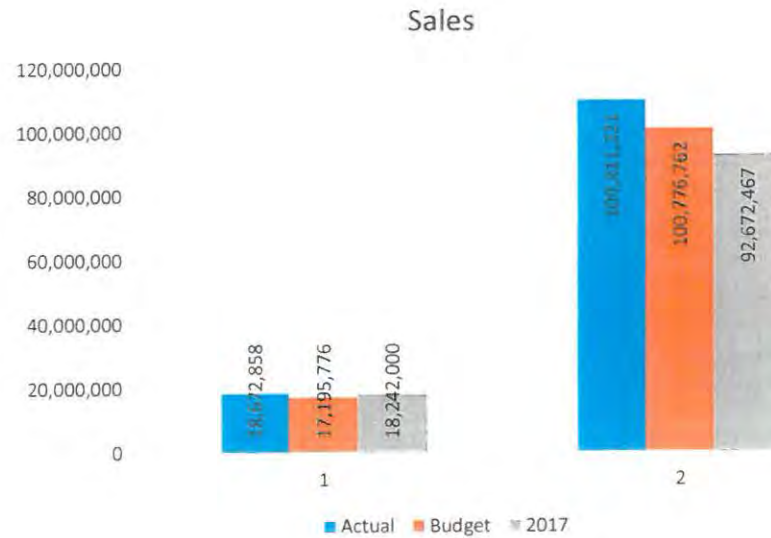
- Capital Credits
- Humana Retiree Insurance
-



**Sales**

**May**

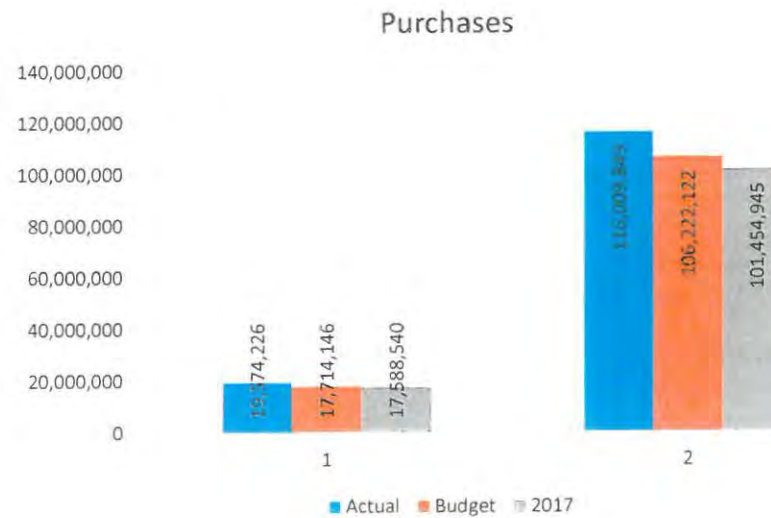
	2018	2017	2017-2015
Actual	18,672,858	18,242,000	18,830,981
Budget	17,195,776		
Difference	1,477,082 8.59%	430,858 2.36%	(158,123) -0.84%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	109,811,321	92,672,467	100,089,586
Budget	100,776,762		
Difference	9,034,559	17,138,854	9,721,735
% Difference	8.96%	18.49%	9.71%



**Purchases**

**May**

	2018	2017	2017-2015
Actual	19,574,226	17,588,540	17,981,100
Budget	17,714,146		
Difference	1,860,080 10.50%	1,985,686 11.29%	1,593,126 8.86%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
Actual	116,009,849	101,454,945	111,074,272
Budget	106,222,122		
Difference	9,787,727	14,554,904	4,935,577
% Difference	9.21%	14.35%	4.44%







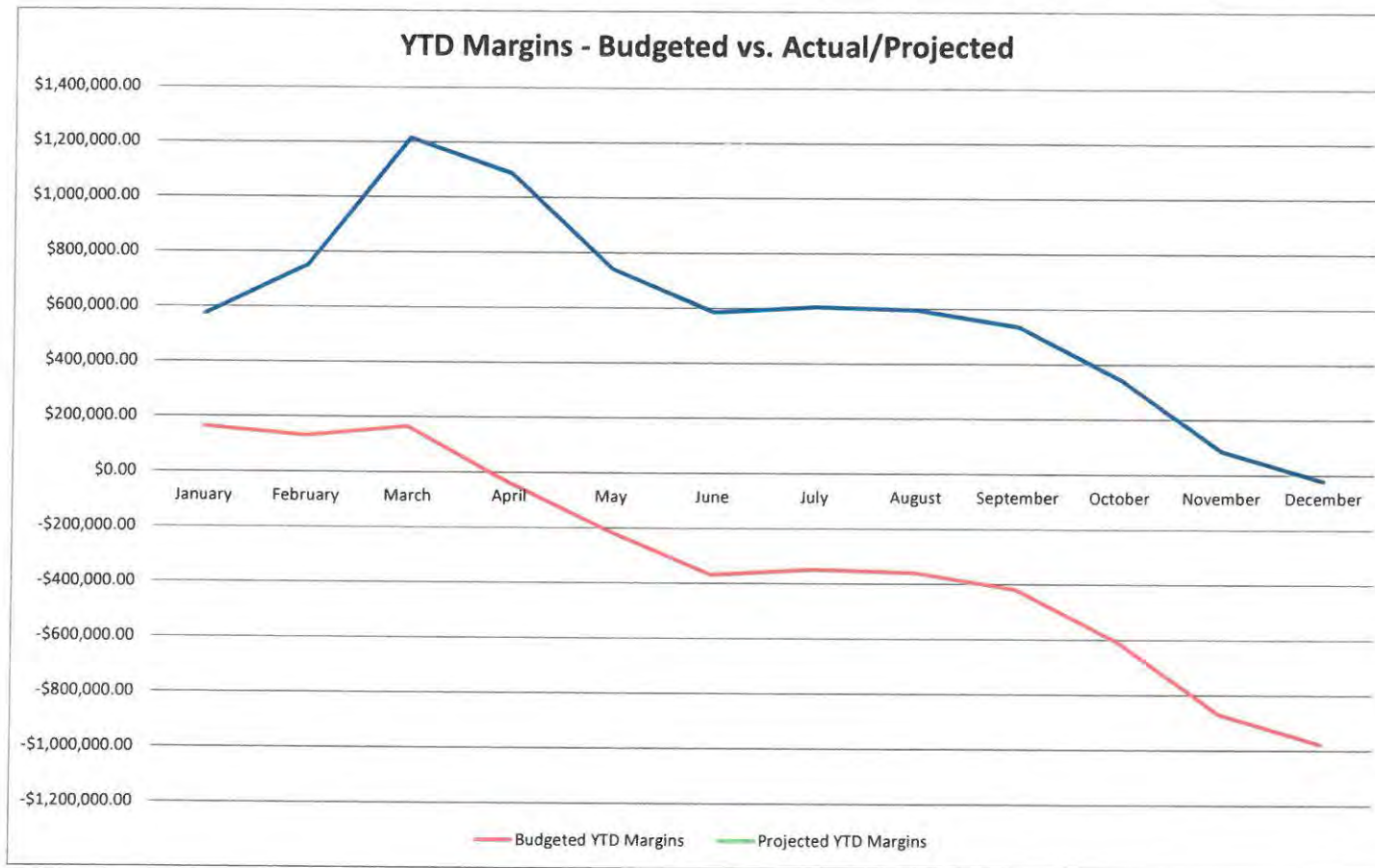
Monthly Operating Revenue & Expenses

	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018
Revenue	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)
Purchased Power	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719
Gross Margins	(1,071,075)	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)
Operations	101,961	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952
Maintenance	287,387	303,369	354,631	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977
Customer Service	96,019	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216
Informational Advertising	26,985	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574
Demonstration Advertising	2,267	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213
Admin & General	166,710	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694	217,345
Depreciation	288,987	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474
Regulatory	3,389	4,022	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423
Interest - LTD	79,188	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467
Interest - Deposits	677	671	668	670	671	668	664	593	1,408	1,396	1,392	1,391	1,394
Miscellaneous Expense	693	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408
Interest Income	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)
Non-Electric Revenue	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582
Capital Credits	-	(524)	-	-	(33,801)	-	-	-	-	(2,354)	(68,289)	-	-
Margins	(21,689)	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,165)	(177,210)	(463,971)	128,483	345,930
* ( )s = positive margins													
Operating Expenses	1,054,262	1,093,304	1,115,309	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,092,898	1,043,244	1,124,476	1,126,823	1,163,443
Monthly OTIER	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)	(2.66)
Revenue	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,598,002)	(28,938,512)	(29,886,584)	(30,165,783)	(30,045,070)
Purchased Power	17,413,418	17,374,726	17,259,561	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,616,913	17,798,694	17,848,092	18,001,600	18,146,334
Gross Margins	(12,373,336)	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)
Operations	1,296,441	1,201,057	1,204,016	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,119	1,347,602	1,369,607	1,340,835	1,371,826
Maintenance	3,315,246	3,295,574	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487
Customer Service	1,050,899	1,049,915	1,051,256	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572	1,105,770
Informational Advertising	248,229	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,188
Demonstration Advertising	22,348	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,766	22,039	21,526	21,469	21,415
Admin & General	1,919,970	1,963,936	1,962,086	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,063,698
Depreciation	3,403,080	3,414,522	3,425,750	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829
Regulatory	40,342	41,022	41,702	42,382	43,062	43,743	42,410	41,074	41,108	41,142	41,178	41,210	41,244
Interest - LTD	909,237	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553	998,207	1,010,096	1,041,614	1,056,893
Interest - Deposits	5,973	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,983	9,414	10,143	10,869	11,596
Miscellaneous Expense	77,476	76,720	75,970	43,315	41,829	34,447	33,456	35,148	35,746	36,893	48,372	53,634	58,349
Interest Income	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)
Non-Electric Revenue	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,682)	(78,841)
Capital Credits	(62,725)	(62,937)	(62,937)	(62,937)	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)	(87,795)	(104,968)	(104,968)	(104,968)
Margins	(266,785)	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615	411,413	396,266	733,885
Operating Expense	12,289,242	12,229,061	12,307,340	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,946,284
Rolling 12 Month OTIER	1.29	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.31





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$345,790.81	-\$176,183.77	-\$169,607.04	\$740,093.52	-\$215,876.85	\$955,970.37	\$740,093.52
June	\$0.00	-\$155,336.77			-\$371,213.62		\$584,756.75
July	\$0.00	\$20,126.23			-\$351,087.39		\$604,882.98
August	\$0.00	-\$9,898.77			-\$360,986.16		\$594,984.21
September	\$0.00	-\$60,686.77			-\$421,672.93		\$534,297.44
October	\$0.00	-\$189,227.77			-\$610,900.70		\$345,069.67
November	\$0.00	-\$260,909.77			-\$871,810.47		\$84,159.90
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$23,206.51





## Margins/Tier

### May

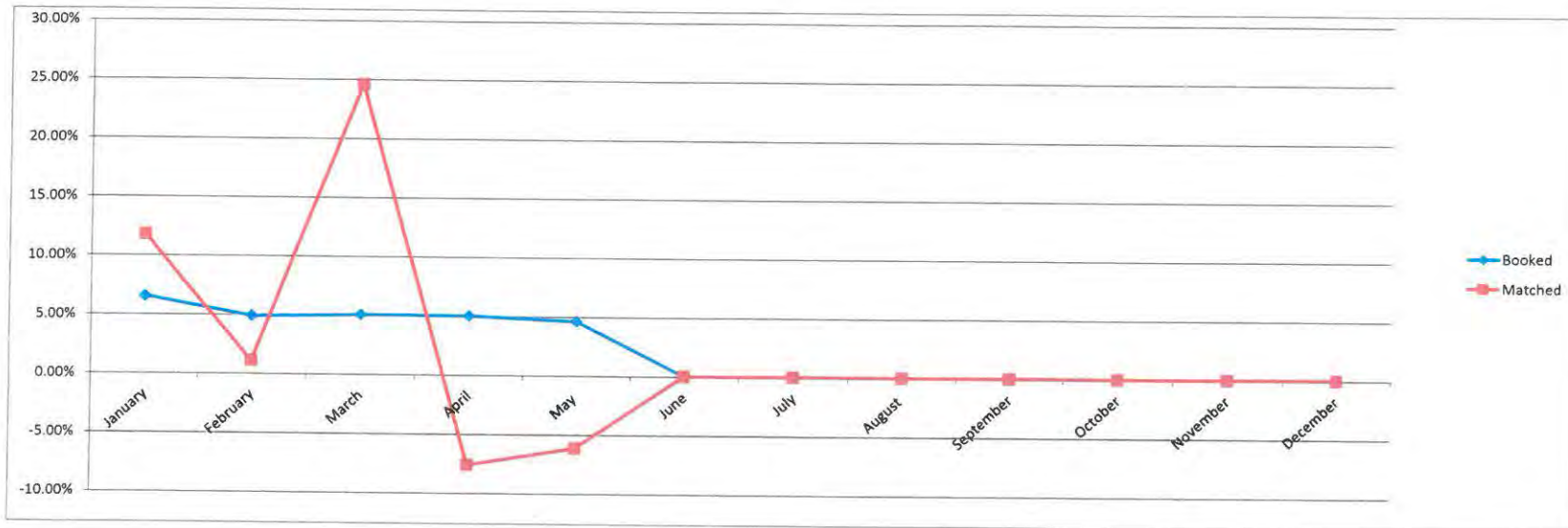
	2018	2017	2017-2015
Revenue	(2,153,347)	(2,274,060)	(2,310,171)
Purchase Power	1,347,719	1,202,985	1,211,938
<i>Gross Margins</i>	(805,628)	(1,071,075)	(1,098,233)
Operating Expenses	1,153,443	1,054,262	990,168
Margins	345,930	(21,689)	(114,222)
OTIER	(2.66)	1.27	2.49

### Year to Date

	2018	2017	2017-2015
Revenue	(14,110,071)	(11,526,143)	(12,413,559)
Purchase Power	7,918,796	6,924,065	7,534,507
<i>Gross Margins</i>	(6,191,275)	(4,602,078)	(4,879,052)
Operating Expenses	5,542,924	5,271,194	5,251,046
Margins	(739,954)	574,646	235,011
OTIER	2.57	-0.46	0.39



2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00								
<b>2017</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00								
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00								116,009,849.00
<b>2017</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>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,198,528.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	-1,288,474.00	-1,084,318.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,179,217.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.34%
<b>2017</b>	11.76%	1.08%	24.58%	-7.62%	-6.16%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.33%





2018 May Bill				2017 May Corresponding Dates				2017 May Bill			
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-May	60	5	0	0	4	69	1-May	21-May	69	0	4
2-May	67	0	2	2	0	63	2-May	22-May	62	3	0
3-May	73	0	8	10	0	55	3-May	23-May	63	2	0
4-May	70	0	5	3	0	62	4-May	24-May	65	0	0
5-May	64	1	0	8	0	57	5-May	25-May	59	6	0
6-May	66	0	1	14	0	51	6-May	26-May	66	0	1
7-May	67	0	2	13	0	52	7-May	27-May	72	0	7
8-May	65	0	0	15	0	50	8-May	28-May	69	0	4
9-May	68	0	3	12	0	53	9-May	29-May	72	0	7
10-May	73	0	8	0	5	70	10-May	30-May	70	0	5
11-May	72	0	7	0	6	71	11-May	31-May	67	0	2
12-May	74	0	9	5	0	60	12-May	1-Jun	69	0	4
13-May	74	0	9	4	0	61	13-May	2-Jun	66	0	1
14-May	75	0	10	0	0	65	14-May	3-Jun	68	0	3
15-May	77	0	12	0	2	67	15-May	4-Jun	70	0	5
16-May	72	0	7	0	5	70	16-May	5-Jun	68	0	3
17-May	74	0	9	0	10	75	17-May	6-Jun	66	0	1
18-May	74	0	9	0	9	74	18-May	7-Jun	61	4	0
19-May	73	0	8	0	7	72	19-May	8-Jun	65	0	0
20-May	74	0	9	0	10	75	20-May	9-Jun	67	0	2
21-May	77	0	12	0	4	69	21-May	10-Jun	70	0	5
22-May	75	0	10	3	0	62	22-May	11-Jun	74	0	9
23-May	72	0	7	2	0	63	23-May	12-Jun	76	0	11
24-May	70	0	5	0	0	65	24-May	13-Jun	77	0	12
25-May	74	0	9	6	0	59	25-May	14-Jun	76	0	11
26-May	75	0	10	0	1	66	26-May	15-Jun	76	0	11
27-May	77	0	12	0	7	72	27-May	16-Jun	76	0	11
28-May	78	0	13	0	4	69	28-May	17-Jun	77	0	12
29-May	76	0	11	0	7	72	29-May	18-Jun	79	0	14
30-May	79	0	14	0	5	70	30-May	19-Jun	73	0	8
31-May	76	0	11	0	2	67	31-May	20-Jun	71	0	6
	72.3	6	232	97	88	64.7		69.6	15	159	
		238		185					174		

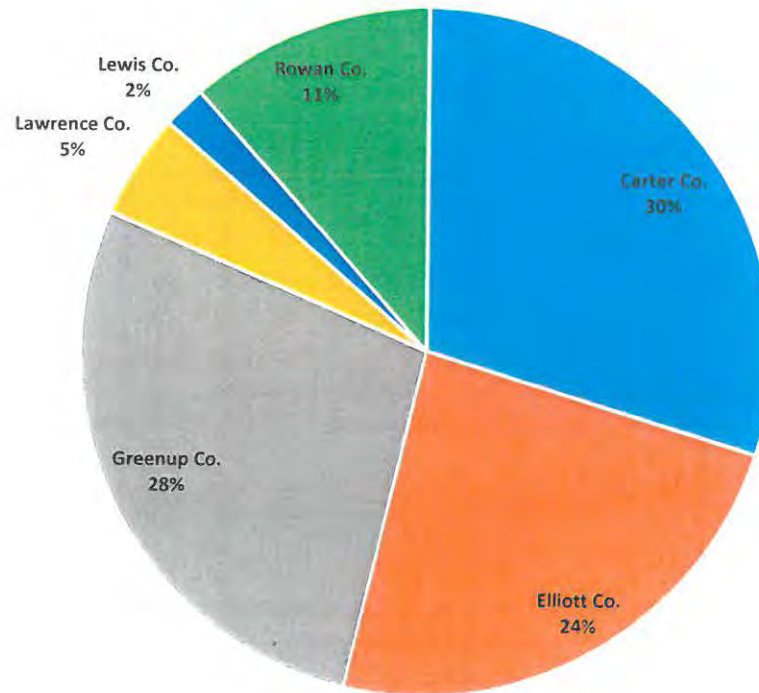




**Bills by County**

	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17
Carter Co.	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572		4,607	4,584	4,588	4,587
Elliott Co.	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662		3,686	3,666	3,665	3,642
Greenup Co.	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319		4,368	4,357	4,352	4,334
Lawrence Co.	761	766	768	768	774	780	785	774		782	773	781	776
Lewis Co.	311	316	310	317	313	316	312	316		313	315	311	311
Rowan Co.	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770		1,771	1,763	1,755	1,757
	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452	15,407

**# of Bills  
May2018**





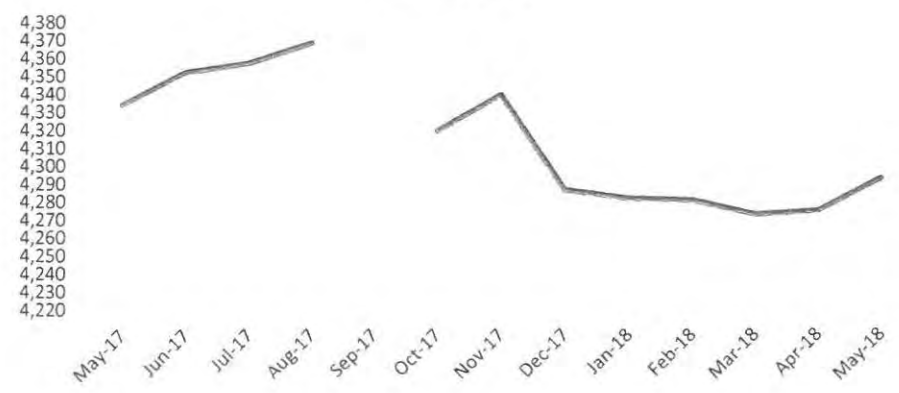
Carter Co.



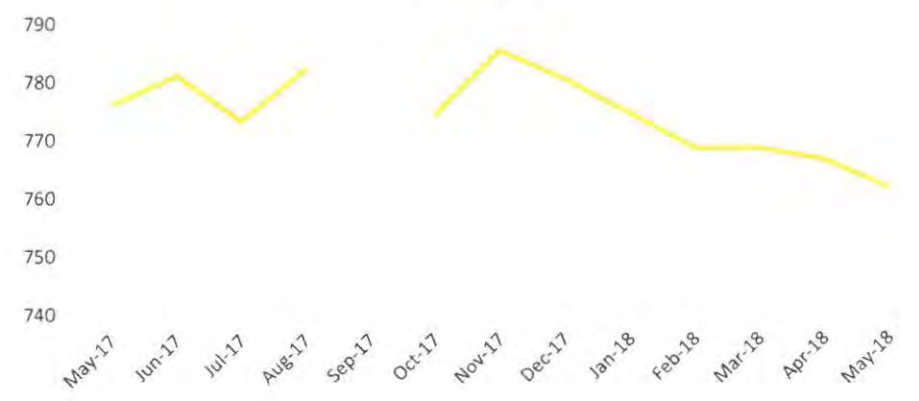
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**MAY 2018**

**219 ANALYSIS**

W/O							BUDGETED	
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		19		0.00	0.00		
100	NEW LINE EXTENSIONS		22		68,041.72	68,041.72	3,092.81	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS							
602	SERVICE UPGRADES		2		2,829.09	2,829.09	1,414.55	1,920.25
603	SECTIONALIZERS		6		5,088.15	5,088.15		
604	REGULATORS							
606	POLES		33	POLES	95,335.74	95,335.74	2,888.96	2,410.75
701	SECURITY LIGHTS		36		23,970.95	23,970.95	665.86	423.50
1600	MINOR PROJECTS		4		12,678.04	12,678.04		
	TOTAL		120		207,943.69	207,943.69		
601	SPECIAL EQUIPMENT	ACCT#						
	TRANSFORMERS	368.00	25		21,338.25	21,338.25	853.53	1,120.00
	METERS	370.00	3		693.18	693.18	231.06	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		28		22,031.43	22,031.43		
	MATERIAL				34,142.02			
	MATERIAL OH				38,876.34			
	LABOR				28,868.93			
	LABOR OH				54,119.48			



## REVENUE SUMMARY MAY 2018

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
269,772.00	\$ (21,573.41)	\$ 5,546.64	\$ 13.75	\$ 2,795.33	\$ 18,432.09	\$ 274,986.40	\$ 7,290.89	\$ 4.01	\$ 5,959.87	2,472	2,220,894
289,065.28	\$ (25,189.30)	\$ 10,454.04	\$ 24.75	\$ 1,210.95	\$ 20,728.96	\$ 296,294.68	\$ 5,271.85	\$ 11.73	\$ 6,091.32	2,919	2,368,176
63,806.20	\$ (4,890.65)	\$ 1,495.37	\$ 5.50	\$ 737.66	\$ 4,342.58	\$ 65,496.66	\$ 1,466.96	\$ -	\$ 1,415.99	638	518,780
778,365.60	\$ (70,179.01)	\$ 18,437.73	\$ 74.25	\$ 2,977.74	\$ 54,882.47	\$ 784,558.78	\$ 15,163.94	\$ (271.78)	\$ 16,377.02	5,877	6,591,303
59.77	\$ (113.44)	\$ 1,391.59	\$ 2.75	\$ 11.00	\$ 101.45	\$ 1,453.12	\$ 4.00	\$ 2.96	\$ 35.94	107	10,565
<b>401,068.85</b>	<b>\$ (121,945.81)</b>	<b>\$ 37,325.37</b>	<b>\$ 121.00</b>	<b>\$ 7,732.68</b>	<b>\$ 98,487.55</b>	<b>\$ 1,422,789.64</b>	<b>\$ 29,197.64</b>	<b>\$ (253.08)</b>	<b>\$ 29,880.14</b>	<b>12,013</b>	<b>11,709,718</b>
17,034.91	\$ (858.94)	\$ 451.20	\$ -	\$ -	\$ 1,286.47	\$ 17,913.64	\$ 255.77	\$ -	\$ 256.64	345	76,595
19,040.07	\$ (954.00)	\$ 290.18	\$ -	\$ 66.00	\$ 1,398.60	\$ 19,840.85	\$ 491.26	\$ 18.81	\$ 220.63	367	89,517
18,031.71	\$ (711.73)	\$ 703.65	\$ -	\$ 33.00	\$ 1,381.47	\$ 19,438.10	\$ 377.50	\$ 4.33	\$ 329.06	450	65,984
41,791.85	\$ (2,022.28)	\$ 1,061.08	\$ -	\$ 57.75	\$ 3,145.60	\$ 44,034.00	\$ 748.14	\$ 141.25	\$ 999.91	861	182,645
7,355.67	\$ (379.47)	\$ 204.30	\$ -	\$ 22.00	\$ 550.74	\$ 7,753.24	\$ 188.75	\$ 36.15	\$ 130.55	140	34,593
671.79	\$ (18.43)	\$ 39.09	\$ -	\$ -	\$ 53.58	\$ 746.03	\$ 9.41	\$ -	\$ 18.03	23	1,645
1,406.48	\$ (46.96)	\$ 57.88	\$ -	\$ 11.00	\$ 103.68	\$ 1,532.08	\$ 25.84	\$ -	\$ 36.06	37	5,507
<b>105,332.48</b>	<b>\$ (4,991.81)</b>	<b>\$ 2,807.38</b>	<b>\$ -</b>	<b>\$ 189.75</b>	<b>\$ 7,920.14</b>	<b>\$ 111,257.94</b>	<b>\$ 2,096.67</b>	<b>\$ 200.54</b>	<b>\$ 1,990.88</b>	<b>2,223</b>	<b>456,486</b>
150,423.78	\$ (13,722.47)	\$ 3,534.24	\$ 5.50	\$ -	\$ 10,854.40	\$ 151,095.45	\$ 3,168.26	\$ 6,692.38	\$ 3,694.00	950	1,223,499
-	\$ (22.71)	\$ 293.05	\$ -	\$ -	\$ 20.92	\$ 291.26	\$ 9.24	\$ 14.79	\$ 8.41	9	2,026
12,370.07	\$ (989.78)	\$ 1,570.51	\$ -	\$ -	\$ 1,002.41	\$ 13,953.21	\$ 71.87	\$ 276.31	\$ 295.46	156	88,259
<b>162,793.85</b>	<b>\$ (14,734.96)</b>	<b>\$ 5,397.80</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 11,877.73</b>	<b>\$ 165,339.92</b>	<b>\$ 3,249.37</b>	<b>\$ 6,983.48</b>	<b>\$ 3,997.87</b>	<b>1,115</b>	<b>1,313,784</b>
206,029.28	\$ (24,225.67)	\$ 932.05	\$ -	\$ -	\$ 14,143.76	\$ 196,879.42	\$ 863.29	\$ 6,953.34	\$ 4,899.69	69	2,159,919
102.75	\$ (7.18)	\$ -	\$ -	\$ -	\$ 7.40	\$ 102.97	\$ -	\$ 6.18	\$ -	1	280
35,877.30	\$ (4,317.27)	\$ 476.00	\$ -	\$ -	\$ 2,479.59	\$ 34,515.62	\$ (1,710.56)	\$ -	\$ 1,035.47	8	384,921
<b>242,009.33</b>	<b>\$ (28,550.12)</b>	<b>\$ 1,408.05</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,630.75</b>	<b>\$ 231,498.01</b>	<b>\$ (847.27)</b>	<b>\$ 6,959.52</b>	<b>\$ 5,935.16</b>	<b>78</b>	<b>2,545,120</b>
160,209.64	\$ (29,653.39)	\$ 28.94	\$ -	\$ -	\$ 10,107.29	\$ 140,692.48	\$ -	\$ 5,653.43	\$ 4,220.77	2	2,643,847
<b>160,209.64</b>	<b>\$ (29,653.39)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,107.29</b>	<b>\$ 140,692.48</b>	<b>\$ -</b>	<b>\$ 5,653.43</b>	<b>\$ 4,220.77</b>	<b>2</b>	<b>2,643,847</b>
-	\$ (43.78)	\$ 599.42	\$ -	\$ -	\$ 43.01	\$ 598.65	\$ -	\$ -	\$ 17.96	1	3,903
-	\$ (43.78)	\$ 599.42	\$ -	\$ -	\$ 43.01	\$ 598.65	\$ -	\$ -	\$ 17.96	1	3,903
<b>71,414.15</b>	<b>\$ (199,919.87)</b>	<b>\$ 47,566.96</b>	<b>\$ 126.50</b>	<b>\$ 7,922.43</b>	<b>\$ 145,066.47</b>	<b>\$ 2,072,176.64</b>	<b>\$ 33,696.41</b>	<b>\$ 19,543.89</b>	<b>\$ 46,042.78</b>	<b>15,432</b>	<b>18,672,858</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 65,586.67</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,171,459.72</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

August 16, 2018

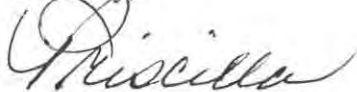
W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, August 24, 2018 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

August 16, 2018

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 fourth day of August 2018 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 August 24, 2018, 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 July Board Meeting.
4. Alan Zumstein – Annual Audit Report for June 1, 2017 Through May 31, 2018
5. President’s Report – Carol Hall Fraley
6. KAEC Director’s Report – Jimmy Whitt
7. EKPC Director’s Report – Kenneth Arrington
8. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for June 2018 – Bradley Cherry, Manager of Finance & Accounting
9. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:
 

January 2018	Work Order No. 1284	\$234,077.34
	Work Order No. 1285	\$12,811.03
February 2018	Work Order No. 1286	\$210,983.05
	Work Order No. 1287	\$3,687.15
March 2018	Work Order No. 1288	\$226,836.87
	Work Order No. 1289	\$10,538.98
	Total	\$698,934.42
10. Cooperative Legal Matters – W. Jeffrey Scott
11. Manager of Technical Services Report – Brian Poling.
12. Manager of Marketing & Member Services Report – Kim Bush
13. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
14. Approval of Eighty-Seven (87) New Memberships and Retirement of Ninety-One (91) Existing Memberships for July 2018
15. Consider Approval of Accounts to be Charged Off to Reserve \$6,728.18
16. Consider Approval of President’s Business Expense in the Amount of \$233.22, Director’s Business Expense in the Amount of \$9,501.87 and Attorney’s Business Expense in the Amount of \$9,491.00

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA  
AUGUST 24, 2018  
PAGE 2

17. Consider Community Service and/or Donations
18. Approval of Attendance at Meetings – Directors and Employees
19. Report of Meetings Held
20. Confirm Date for the September Board Meeting – Friday, September 28, 2018
21. Additional Business
22. Adjourn

On July 20, 2018 at 9:07 a.m. Grayson Rural Electric 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. The Waiver of Notice was signed by those Directors present, Eddie Martin, Jimmy Whitt, Roger Trent, Kenneth Arrington and Harold Dupuy. Director Jim Bentley was absent. Others present included: W. Jeffrey Scott, Legal Counsel; Carol Hall Fraley, President and CEO; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt 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 June 2018 Board Meeting.
PRESIDENT'S REPORT	President Fraley reported on the following:
WILLIAM 'BILLY' T. RICE	President Fraley read a Resolution of Respect for William 'Billy' T. Rice. Motion was made by Director Martin to adopt that Resolution of Respect for William T. Rice, in honor of his retirement, seconded by Director Whitt and unanimously agreed upon.
PSC INSPECTION	We had an excellent system inspection report and score by the Public Service Commission. Jeff Moore was here three weeks ago. There were no deficiencies or no recommendations.  President Fraley gave a brief update on the previous work week:
NEWFOUNDLAND SUBSTATION	Monday, lightning hit the Newfoundland Substation. We had a non-reportable long outage. East Kentucky came and repaired it with our help.
AMISH FAMILY	Wednesday morning, an Amish family in Greenup County in Mike Blevins's territory, installed a pulley for a clothes line on our 3-phase pole. Steven Burton talked to them and helped them take the pulley down.
DRONE	Thursday, another consumer in Mike's territory called in and said her neighbor has a drone and was turning her electric on and off. Steven Burton checked the call out and assured the consumer that they could not use a drone to disconnect her power.  Two weeks ago on Thursday, a three-phase pole was broken by wind on the Don Gullet Farm. Another pole was broken on Plum Fork, causing a major outage. All of our men and the two Pike crews were called out. The three-phase pole was snapped below the crossarm. The other pole was down on the ground.
ROBERT BROWN	Robert Brown has completed his master degree in Business Administration.
RONNIE JAMES	Mr. Ronnie James has again requested that we remove three-phase poles from his property. President Fraley responded again, outlining the same reasons why the poles could not and did not need to be moved or replaced.
CITY OF VANCEBURG	The Electric Plant Board of the City of Vanceburg Utilities has paid Grayson \$159.36 more than last year. The total amount of the check was \$3,770.36 for the period July 1, 2017 thru June 30, 2018.

INVENTORY	Inventory was excellent again this year. The physical count of inventory for the period May 1, 2017 thru April 30, 2018 was a difference of \$2,734.58. The adjustment amount is 1.05% of the average material.
EPA	The EPA stopped in at our warehouse recently and checked our oil tanks and the disposal of our old transformers. There was no violations found.
KAEC 2018 RODEO	The KAEC 2018 Rodeo is in Mayfield, KY on September 13-14, 2018.
RETIREMENT LUNCH	We will have a retirement lunch for Director William 'Billy' T. Rice today.
VACATION	President Fraley will be on vacation the week of August 6 <sup>th</sup> .
GREENUP COUNTY TAXES	Director Martin said there was 2,500 plus signatures turned in on a petition against the additional Greenup County School Board tax; 2,127 signatures were verified. The school board plans to put the issue on the ballot in November. Kentucky is second in the nation for collecting the most pennies on the dollar on taxes for school.
KAEC DIRECTOR'S REPORT	Director Whitt reported there was no KAEC Board Meeting this month.
EKPC DIRECTOR'S REPORT	Director Arrington show a presentation on the Summer Edition of Power Pulse. The video discussed the following topics:  Bluegrass Generating Station to add alternative fuel source. Kentucky co-op students win at VEX Robotics World Championship. Employees showcase EKPC life to keep workers engaged, productive and satisfied with their jobs. Co-ops plug into electric vehicles. EKPC to switch ash systems at Spurlock. Special Olympics 2018 highlights completed the presentation.
EKPC RATE INCREASE	East Kentucky has based part of their impending rate increase to the Senate version of the Farm Bill. They have a \$580 million cushion credit in New York. The House Bill will allow us to keep the cushion. The Senate bill would rescind the cushion of credit. According to EKPC, the interest earned on the cushion of credit is a large portion of their margins each year. Loss of that interest will contribute to their need for a rate increase.  President Fraley is on Governance Committee Meeting and they met yesterday. They want to train CEO's, board of directors, etc. and to eliminate their fiduciary responsibilities to the Coops. They do not want our representative board members to consider the effects of their decisions on the Member Owner systems and to concentrate on East Kentucky.  Legal Counsel Scott said Tony Campbell stated at the hearing that they earned \$16 million in 2017 on their cushion of credit of \$516,000 million (mentioned in their brief). Now it is \$580,000 million; how did it increase from May to June? He stated Senate and House have each passed a Farm Bill version.
SOUTH KENTUCKY RECC	Legal Counsel said the Commission brief has to be submitted next week. Any reply briefs have to be submitted by Monday. The Commission's order said it will stand as submitted at midnight Monday, as we can file everything electronically.



FINANCIAL & STATISTICAL REPORT FOR MAY 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for May 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of May (5/1-5/31) were 11.12% over budget. Purchases for the month of May (5/1-5/31) were 11.46% over budget. Line loss for the last twelve months was 5.34%. Year-to-date margins were \$691,574 compared to the budgeted amount of (\$215,877).
FUEL ADJUSTMENT	The fuel adjustment for May was (0.014245).
ESC	The environmental surcharge was 8.11%.
DEGREE DAYS	There were 238 degree days; 6 heating degree days and 232 cooling degree days.
T.I.E.R.	May 2018's monthly O.T.I.E.R. was (3.18) with the rolling 12 month O.T.I.E.R. of 0.26. The year to date is 2.47.
BILLS	We had 15,432 bills for the month of May, so we are up 25 bills compared to 2017.
MAY REVENUE	The total revenue of May is a little over \$2 million.
INSURANCE	David Holbrook asked Director Trent to discuss health care coverage for his spouse if he gets married. Bradley Cherry explained that a retired employee is entitled to the coverage he has when he retires. In Mr. Holbrook's case, that was single coverage. He also pointed out that Humana Insurance will not add anyone under the age 65. There is no option for the situation Mr. Holbrook inquired about.
HUMANA INSURANCE	We received a quote from Humana Insurance for Grayson RECC employees. They dropped the premium \$27 from \$325.61, making it \$298.61 per person per month. Board consensus was for Mr. Cherry to renew with Humana for retiree coverage.
APPROVAL OF FINANCIAL & STATISTICAL REPORT	Motion was made by Director Trent, seconded by Director Jimmy and unanimously agreed to approve the Financial and Statistical Report for May 2018 as presented for informational purposes only.
RATE INCREASE	<p>President Fraley reported to the Board Chairman that we will need to ask for a rate increase of \$1.42 million, based on the Cost of Service Study that was completed by Alan Zumtsein and Jim Adkins on our rate case.</p> <p>President Fraley asked for the staff to attend during the rate case discussion and permission was granted. Those present were Robert Brown, Brian Poling, Andrea McCleese, Kim Bush, Kyle Clevenger and Mike Martin.</p> <p>When the Board authorized a Cost of Service Study by Alan Zumstein and Jim Adkins, we asked them to determine which classes were paying for themselves and if any were being subsidized. They presented their conclusions and recommendation to the staff. Staff has made every effort to evaluate the study and reach a conclusions that fulfill the needs of the Coop, with the least impact and most fair distribution of costs upon our members.</p>

ALAN ZUMSTEIN

Alan Zumstein presented the determination of revenue requirements, and Jim Adkins gave the results of the Cost of Service Study. PSC requires normalization entries (payroll, payroll taxes, property taxes, interest expenses, depreciation, etc.) for the test year. With all those normalizations, the test year showed a deficit of \$275,000. The Commission generally allows a T.I.E.R. of 2. In order to meet that level, we would need a rate increase of \$1.42 million.

JIM ADKINS

To meet that requirement, Jim Adkins explained the results from the Cost of Service Study and how that money is allocated into schedules and classes. Some proposed classes eliminated or combined are:

1. Eliminate Off-Peak Marketing Rate (ETS unit contracts). Members will have the option of going to regular rate or time-of-day rate.
2. Street Lighting Service and Outdoor Lighting Service (eliminating two schedules) will be combined into one rate class.

Each rate class was presented with a normalized price and percentage, proposed revenue and percentage increase amount, and dollar increase amount and percentage. Minimizing the increase to the residential classes was also looked at. The largest increase was General Service Rate (barns, camps, garages, (non-necessity or luxury items) at 15.3% and Outdoor Lighting at 22.3%. Mr. Adkins said based on the Cost of Service Study, we could raise rates for these classes substantially higher.

RATE DESIGN

President Fraley said we looked at different scenarios for the best way to raise the \$1.4 million with the least impact for our members. We looked at several different factors, the profile of our members, our needs, the weather, fairness, terrain, aiding low income members with the highest bills, etc. and the impact it can have on us. We can do it two different ways: put it on kWh charge and change classification or we increase the customer service charge.

After thorough discussion and calculations, Staff believes an increase in the customer service charge would best serve our members. The increase is warranted due to terrain, ratio of members to employees, high percentage of residential accounts, and the fact that members who have the lowest income often have the highest usage. This would not assign any increase to the kWh, but would simply increase each residential member's customer charge by \$7.50 per month.

The increase of \$7.50 per account per month, with no kWh increase, and based on 67% residential service would generate \$973,000 of the needed \$1.42 million. Additional revenue would come from minimal increases in other classifications.

We plan to mail a Letter of Intention to file for a rate increase in late August or early September.

Mr. Zumstein suggested the following timeline for filing, once the initial Letter of Intent to file has been mailed: 2) another 2 to 3 weeks to advertise; so we are looking at the first of September, and 3) up to 6 months at PSC to make a decision and issue an order.

Motion was made to file for a rate increase of \$1.42 million, as recommended by the staff by Director Martin, seconded by Director Trent and unanimously agreed upon. Motion passed.

President Fraley said we would send the notification at the end of August and file the application in September.

LEGAL COUNSEL'S REPORT

Legal Counsel Scott reported on the following:

GALEN CONLEY SUIT

Grayson Rural Electric was sued on the Galen Conley suit in Elliott County. He did an answer and cross-claim.

BOARD RECESS

The Board went into recess at 11:54 a.m. for Director Rice's retirement lunch.

The Board reconvened at 1:00 p.m.

MANAGER OF TECHNICAL SERVICES

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

AMI

The Public Service Commission approved our AMI application as of July 23, 2018.

Our salesman with Landis + Gyr has been working on a propagation study and a firm contract price. Our meter vendor will be Stuart Irby. It could be five months before material is delivered. A lot of paperwork and training remain to be done. The plan is ready, pending testing and analysis. Rattlesnake Ridge is interested in joining with us. Grayson Utilities may be interested.

Brian went over the Work Plan and Metering schedule for the next two years:

2015-2018 Construction Work Plan Status, approximately \$8 Million unencumbered.

Of the \$8 million, \$1.988 Million is designated for meter changes and an additional 2 Million has been re-allocated for AMI Upgrade.

CWP has been currently extended through 2019

New 2020-2023 Construction Work Plan:

- March 2010 – Begin study for new CWP
- September 2019 – Present proposal to Mike Norman
- October 2019 – Present to Board of Directors
- November 2019 – Present Contractor Bids to Board of Directors
- November – December 2019 – Submit to PSC for approval
- December 2019 – Submit to RUS for approval
- (Estimated approval time is 6-12 months)

Begin new Work Plan in January 2020

Advanced Meter Infrastructure (AMI) – Radio Frequency

October 2017 - Submitted CPCN Application  
December 2017 - Submitted responses to PSC Inquiry  
June 2018 - Originally Anticipated PSC Approval  
July 16, 2018 - PSC Approved AMI Upgrade  
December 2019 - Estimated AMI Completion date

Advanced Meter Infrastructure (AMI) – existing

Stopped purchase of TS2 meters in December 2017  
Current Lead time for RF equipment orders is 20 weeks  
Training estimated to take 4-5 months (based on availability)  
Begin building RF network January 2019  
Begin setting RF meters in February 2019

OPERATIONS & SAFETY

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 June 2018:

June 6 – Robert Brown, GIS Technician, turned the meeting over to KAEC Safety personnel, Tony Dempsey for the monthly safety meeting. He showed a Power Point on Spring/Summer Hazard, went over several items; storms, wind, snakes, hornets, wasp, yellow jackets, spiders, ticks and several kind of skin cancers and their preventive measures. Kyle encourage safety and watch over each other.

June 11 – Sherry Buckler, Mgr. of Acctg. & Human Resources, read Office Safety, pages 127-128 in our Safety Manual. Dewey Smith with Cintas was here to do the semi-annual check on the first-aid kits. Kyle requested to watch out for the heat and wetness, and to keep an eye out for ticks.

June 18 – Kim Bush, Mgr. of Mktg. and Member Services, turned the meeting over to Rita Sexton, Carter County Health Department, to speak on Overdose Recognitions and How to Give NARCAN. Kyle asked everyone to be safe.

June 25 – Bradley Cherry, Mgr. of Finance and Acctg., read an article about Fireworks and the statistics of injuries and death that are caused each year with fireworks. Kyle asked everyone to change out their gloves and sleeves.

CONSTRUCTION

The Construction Department built one hundred twenty (120) new work orders for the month of February and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked four hundred thirty-five (435) hours of overtime during the month of June 2018 and the number of work order overtime hours worked by maintenance was one hundred twenty-eight (128). The Engineering Department worked two (2) hours of overtime.

DELINQUENT NOTICES	There were 131 delinquents for July. Seven (7) cards were issued to be disconnected and 4 accounts were disconnected by remote meter on July 9 for cycle 1. One (1) card was issued to be disconnected and 14 accounts were disconnected by remote meter on July 16 for cycle 2. Field personnel disconnected a total of 8 meters and a total of 10 meters were reconnected by field personnel and remote.
CONTRACT CREWS	We have two (2) Pike crews that have been working in the following areas:  Tony Seagraves – Corral Park, Carter County Bob Marrow – poles changes and coordination's in Greenup and Carter Counties
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 728 trees, cut 942 trees, cut 53,500 feet of brush/line and sprayed 251 feet of line. The crews are working in the following areas:  1 cutting crews in Carter, Lewis and Greenup Counties 1 cutting crews in Lawrence County 1 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 Elliott County 3 spray crews in Greenup County  Smith Tree Service – circuit crew at RT 32 between Isonville and Sandy Hook
ENGINEERING REPORT	The Engineering Department released eighty-seven (87) prints consisting of feet of 1,506 primary line and 1,408 feet of overhead secondary service wire. They currently have four (4) new services to be staked and four (4) to be drawn. They have approximately eight (8) miscellaneous jobs to be staked or drawn.  Jim Bridges is doing regular inspections and inspected US 60 and Cains Creek.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve one hundred eight (108 ) new memberships and retirement of one hundred three (103 ) existing memberships for May 2018.
BAD DEBT WRITE-OFFS	Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to charge off \$7,670.87 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 Trent and unanimously agreed to approve the President's business expense of \$102.73, Director's business expenses of \$ 6,816.21 and Attorney's business expense of \$25,876.24.

COLLIN ALEXANDER William Collin Alexander of Lambert Hollow inquired about the Director's seat in Rowan County and the procedure for election. President Fraley talked to him on the telephone.

THANK YOU We received thank you cards from Ohio University Southern Equestrian Team, Lewis County Educational Foundation, Carter County Shrine Club and Grayson Meals on Wheels.

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

Elliott County Tobacco Festival	\$150
Plum Grove Baptist Church – Greenup Co. Back to School Readifest	\$250
Grayson Rotary Club – Funtober Fest 2018	\$150
Carter County Fair – patron sponsor	\$150
Pathways – 12 <sup>th</sup> annual golf scramble	<u>\$100</u>
	\$800

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

MEETING REPORTS Upcoming meetings will be attended by the following directors and employees:

Director Whitt will be attending the NRECA 2018 Directors Summer School in Savannah, GA July 27-30, 2018.

BOARD MEETING DATE The August Board Meeting is scheduled for Friday, August 24, 2018.

ADJOURN Chairman Dupuy adjourned the meeting at 1:28 p.m.

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Harold L. 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

May 21 – June 12, 2018

<u>Date</u>	<u>Check Amount</u>	<u>Description</u>	
06/28/18	174777	NRECA – Legal Reporting Service Subscription	\$180.20
07/06/18	174856	VISA Expenses:	
		*5/21 meeting with Pike Electric contractor mtg. – meal exp.	\$ 11.39
		*5/24 staff meeting – meal expense	\$ 12.81
		*5/25 GRECC Board Meeting– meal expense	\$ 16.46
		*6/12 Grayson Chamber Meeting – meal expense	\$ 12.36
		Total Expenses	\$233.22

\*prorated expense





## DIRECTORS & ATTORNEY EXPENSES

**June-18**

**KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Bd. Mtg. (6/22)	\$ 343.60
<b>MISC</b>	-	0.00
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 981.72</u>

**JIM BENTLEY**

<b>Per Diem</b>	- EKPC Annual Mtg. (6/5); GRECC Bd. Mtg. (6/22)	\$ 692.11
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,330.82</u>

**HAROLD DUPUY**

<b>Per Diem</b>	- EKPC Annual Mtg. (6/5); GRECC Bd. Mtg. (6/22)	\$ 756.96
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 1,395.29</u>

**EDDIE MARTN**

<b>Per Diem</b>	- GRECC Bd. Mtg. (6/22)	\$ 308.72
<b>MISC</b>	-	-
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (5/25)	16.46
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 963.89</u>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (6/22)	\$ 321.80
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 959.92</u>

**ROGER TRENT**

<b>Per Diem</b>	EKPC Annual Mtg. (6/5); GRECC Bd. Mtg. (6/22)	\$ 703.55
<b>MISC</b>	-	-
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (5/25)	16.46
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,358.13</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Md. Mtg. (5/39); EKPC Annual Mtg. (6/5); KAEC Bd. Mtg. (6/18); GRECC Bd. Mtg. (6/22)	\$ 1,688.32
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Bd. Mtg.	185.07
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,512.10</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>Excess Hrs</b>	- (14.5) hrs. PSC South KY Case	2,900.00
	(7.25) hrs. Misc. for June	1,450.00
	(10.5) hrs. R/W Easements	2,100.00
	(.5) hrs. Nathan Whitt Case	100.00
<b>Out-of-Pocket</b>	- Record (173) R/W Easements	2,941.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 9,491.00</u>



























# Grayson Rural Electric Financial Report

2018 Board Materials  
585 of 882

August 24, 2018

## At A Glance....

June

<u>kWh Sales (6/01 - 6/30)</u>		<u>Margins</u>	
Month	3.91%	Month	\$ (424,431.80)
YTD	8.16%	YTD	\$ 267,141.72
<u>kWh Purchases (6/01 - 5/30)</u>		<u>OTIER</u>	
Month	4.88%	Month	(3.18)
YTD	8.53%	YTD	2.47
<u>Line Loss</u>			
Month	6.35%		
YTD	5.50%		

Fuel Adjustment (0.003894)

ESC 8.84%

Degree Days 298

Heating Degree Days 0

Cooling Degree Days 298

### Notes:

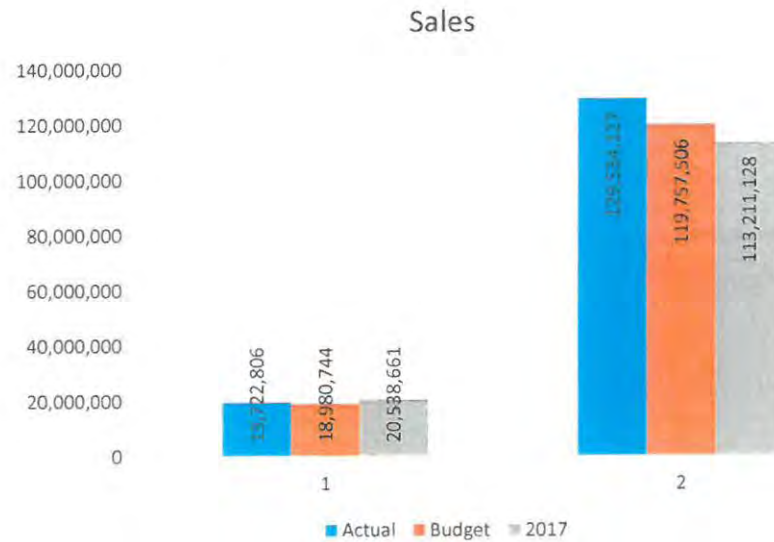
- Capital Credits
- NRECA Health Renewal
- RS Plan Renewal





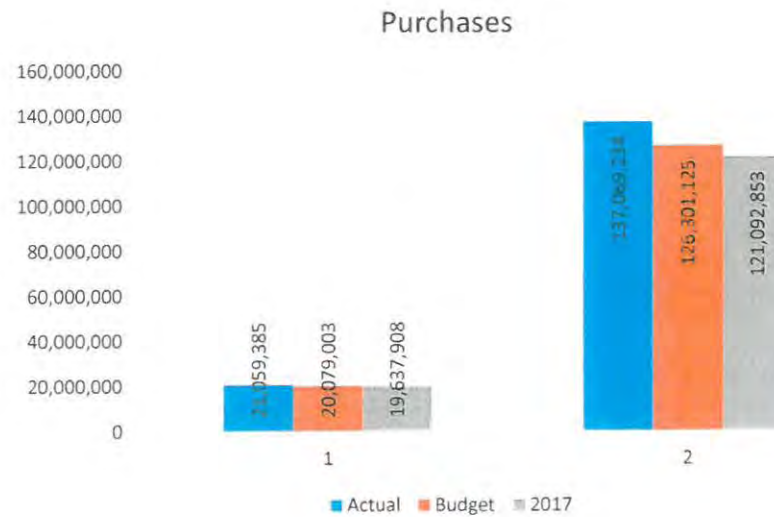
Sales

		June		
		2018	2017	2017-2015
Actual		19,722,806	20,538,661	20,264,808
Budget		18,980,744		
Difference		742,062	(815,855)	(542,002)
		3.91%	-3.97%	-2.67%
		YTD-2018	YTD-2017	YTD-Prev 3
Actual		129,534,127	113,211,128	120,354,394
Budget		119,757,506		
Difference		9,776,621	16,322,999	9,179,733
% Difference		8.16%	14.42%	7.63%



Purchases

		June		
		2018	2017	2017-2015
Actual		21,059,385	19,637,908	20,373,066
Budget		20,079,003		
Difference		980,382	1,421,477	686,319
		4.88%	7.24%	3.37%
		YTD-2018	YTD-2017	YTD-Prev 3
Actual		137,069,234	121,092,853	131,447,337
Budget		126,301,125		
Difference		10,768,109	15,976,381	5,621,897
% Difference		8.53%	13.19%	4.28%





Monthly Operating Revenue & Expenses

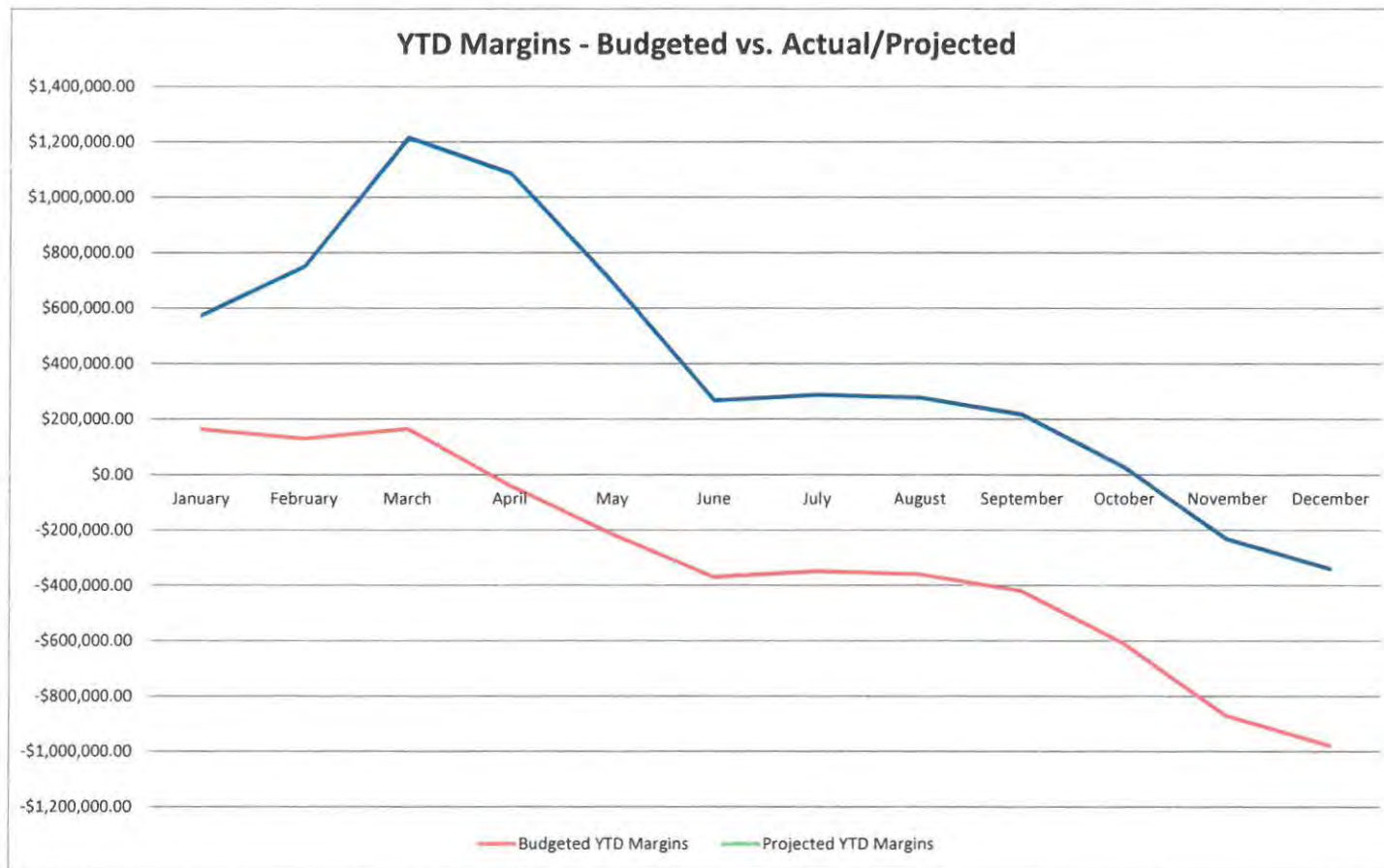
	June 2017	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	May 2018
Revenue	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,681,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)
Purchased Power	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138
Gross Margins	(1,186,141)	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(885,628)	(670,613)
Operations	102,602	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940
Maintenance	303,369	354,631	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246
Customer Service	95,044	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086
Informational Advertising	16,390	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238
Demonstration Advertising	1,489	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699
Admin & General	198,796	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068
Depreciation	289,702	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295
Regulatory	4,022	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559
Interest - LTD	79,454	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451
Interest - Deposits	671	668	670	671	668	664	593	1,408	1,396	1,392	1,391	1,394	1,445
Miscellaneous Expense	1,764	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663
Interest Income	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)
Non-Electric Revenue	(5,894)	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)
Capital Credits	(524)	-	-	(33,801)	-	-	-	-	(2,354)	(68,289)	-	-	-
Margins	(101,854)	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,165)	(177,210)	(463,971)	128,463	394,450	424,432
* ( )'s = positive margins													
Operating Expenses	1,093,304	1,115,309	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,092,938	1,043,244	1,124,476	1,128,823	1,201,983	1,099,689
Monthly OTIER	2.28	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.48)

Revenue	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,598,002)	(28,838,512)	(29,886,584)	(30,185,783)	(30,045,070)	(29,836,079)
Purchased Power	17,374,726	17,259,561	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,616,913	17,796,694	17,848,082	18,001,800	18,146,334	18,252,872
Gross Margins	(12,430,288)	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,184,183)	(11,898,736)	(11,383,207)
Operations	1,201,057	1,204,016	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,602	1,359,607	1,340,835	1,371,826	1,397,164
Maintenance	3,295,574	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487	3,359,363
Customer Service	1,049,915	1,051,256	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,962	1,095,572	1,105,770	1,104,811
Informational Advertising	245,357	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,186	229,033
Demonstration Advertising	21,628	21,711	22,125	20,832	20,862	21,026	22,103	21,766	22,039	21,526	21,469	21,415	21,626
Admin & General	1,963,936	1,962,086	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,965,831	2,003,084	2,102,218	2,061,491
Depreciation	3,414,522	3,425,750	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421
Regulatory	41,022	41,702	42,382	43,062	43,743	42,410	41,074	41,108	41,142	41,176	41,210	41,244	39,781
Interest - LTD	913,063	922,170	931,245	940,516	948,755	957,790	980,167	982,553	996,207	1,010,095	1,041,814	1,056,893	1,071,890
Interest - Deposits	6,267	6,554	6,845	7,138	7,431	7,717	7,941	8,683	9,414	10,143	10,869	11,586	12,360
Miscellaneous Expense	76,720	75,970	43,315	41,829	34,447	33,456	35,148	35,746	30,893	49,372	53,634	56,349	59,248
Interest Income	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)
Non-Electric Revenue	(76,454)	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,882)	(78,941)	(75,137)
Capital Credits	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)	(62,937)
Margins	(374,136)	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,923	1,277,615	411,413	366,266	782,405	1,308,690
Operating Expense	12,229,061	12,307,340	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,994,804	12,901,189
Rolling 12 Month OTIER	1.41	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$0.00	\$20,126.23			-\$351,087.39		\$287,267.95
August	\$0.00	-\$9,898.77			-\$360,986.16		\$277,369.18
September	\$0.00	-\$60,686.77			-\$421,672.93		\$216,682.41
October	\$0.00	-\$189,227.77			-\$610,900.70		\$27,454.64
November	\$0.00	-\$260,909.77			-\$871,810.47		-\$233,455.13
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$340,821.54





## Margins/Tier

### June

	2018	2017	2017-2015
Revenue	(2,187,751)	(2,596,741)	(2,567,681)
Purchase Power	1,517,138	1,410,600	1,456,998
<i>Gross Margins</i>	(670,613)	(1,186,141)	(1,110,684)
Operating Expenses	1,099,689	1,093,304	1,091,412
Margins	424,432	(101,854)	(34,033)
OTIER	(3.49)	2.28	1.43

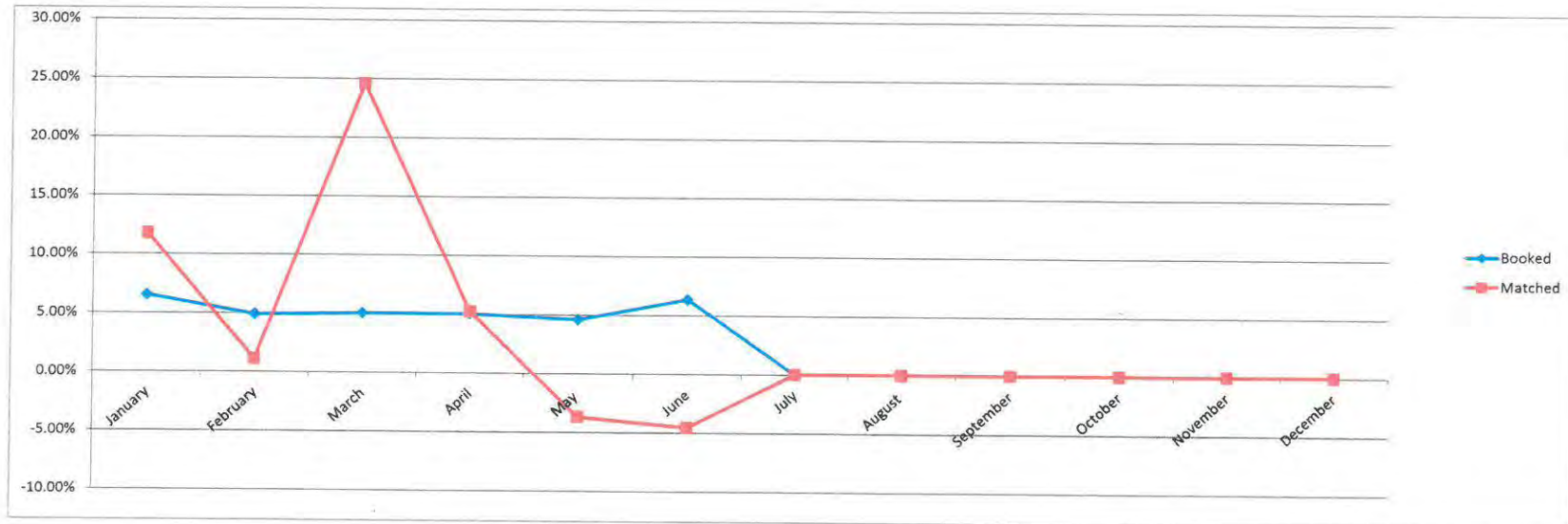
### Year to Date

	2018	2017	2017-2015
Revenue	(16,297,821)	(14,122,884)	(14,981,240)
Purchase Power	9,435,934	8,334,665	8,991,505
<i>Gross Margins</i>	(6,861,887)	(5,788,219)	(5,989,735)
Operating Expenses	6,691,133	6,364,498	6,342,458
Margins	(267,002)	472,792	200,977
OTIER	1.47	0.00	0.56





2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00							
<b>2017</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							
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00							137,069,234.00
<b>2017</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							121,092,853.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	0.00	0.00	0.00	0.00	0.00	0.00	7,535,107.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	0.00	0.00	0.00	0.00	0.00	0.00	7,881,725.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.50%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.75%





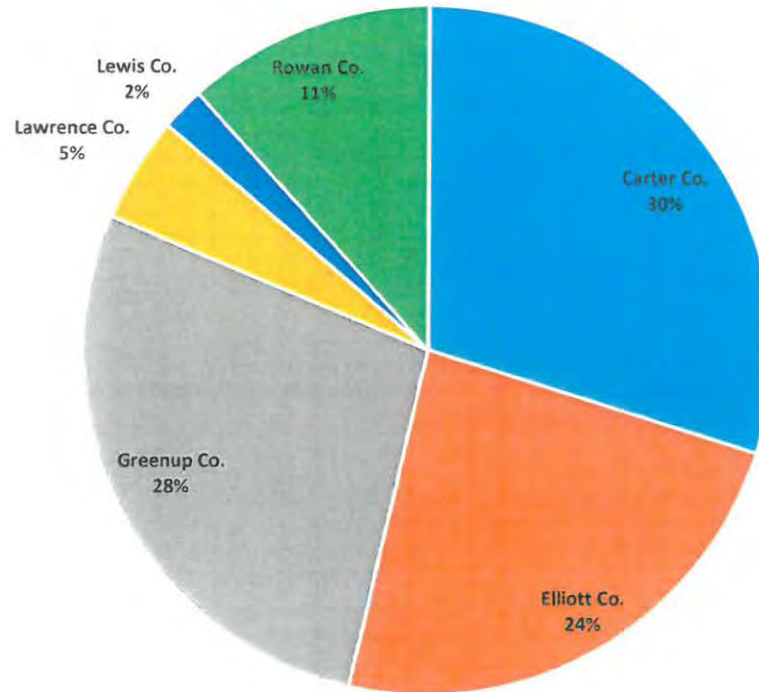
2018 June Bill				2017 June Corresponding Dates			2017 June Bill				
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Jun	73	0	8	0	4	69	1-Jun	21-Jun	76	0	11
2-Jun	76	0	11	0	2	67	2-Jun	22-Jun	76	0	11
3-Jun	75	0	10	0	6	71	3-Jun	23-Jun	76	0	11
4-Jun	69	0	4	0	6	71	4-Jun	24-Jun	74	0	9
5-Jun	67	0	2	0	3	68	5-Jun	25-Jun	69	0	4
6-Jun	66	0	1	0	2	67	6-Jun	26-Jun	66	0	1
7-Jun	67	0	2	4	0	61	7-Jun	27-Jun	66	0	1
8-Jun	74	0	9	0	1	66	8-Jun	28-Jun	66	0	1
9-Jun	76	0	11	0	1	66	9-Jun	29-Jun	74	0	9
10-Jun	78	0	13	0	5	70	10-Jun	30-Jun	79	0	14
11-Jun	72	0	7	0	11	76	11-Jun	1-Jul	78	0	13
12-Jun	73	0	8	0	13	78	12-Jun	2-Jul	78	0	13
13-Jun	76	0	11	0	13	78	13-Jun	3-Jul	76	0	11
14-Jun	74	0	9	0	11	76	14-Jun	4-Jul	75	0	10
15-Jun	72	0	7	0	12	77	15-Jun	5-Jul	78	0	13
16-Jun	75	0	10	0	12	77	16-Jun	6-Jul	77	0	12
17-Jun	80	0	15	0	14	79	17-Jun	7-Jul	77	0	12
18-Jun	82	0	17	0	16	81	18-Jun	8-Jul	75	0	10
19-Jun	82	0	17	0	11	76	19-Jun	9-Jul	72	0	7
20-Jun	81	0	16	0	8	73	20-Jun	10-Jul	73	0	8
21-Jun	74	0	9	0	11	76	21-Jun	11-Jul	78	0	13
22-Jun	77	0	12	0	11	76	22-Jun	12-Jul	80	0	15
23-Jun	75	0	10	0	11	76	23-Jun	13-Jul	83	0	18
24-Jun	77	0	12	0	9	74	24-Jun	14-Jul	80	0	15
25-Jun	71	0	6	0	4	69	25-Jun	15-Jul	75	0	10
26-Jun	73	0	8	0	1	66	26-Jun	16-Jul	74	0	9
27-Jun	76	0	11	0	1	66	27-Jun	17-Jul	77	0	12
28-Jun	79	0	14	0	1	66	28-Jun	18-Jul	79	0	14
29-Jun	78	0	13	0	9	74	29-Jun	19-Jul	81	0	16
30-Jun	80	0	15	0	14	79	30-Jun	20-Jul	80	0	15
	74.9	0	298	4	223	72.3		75.6	0	318	
			298			227				318	



# Bills by County

	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17
Carter Co.	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572		4,607	4,584	4,588
Elliott Co.	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662		3,686	3,666	3,665
Greenup Co.	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319		4,368	4,357	4,352
Lawrence Co.	763	761	766	768	768	774	780	785	774		782	773	781
Lewis Co.	315	311	316	310	317	313	316	312	316		313	315	311
Rowan Co.	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770		1,771	1,763	1,755
	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458	15,452

# of Bills  
June 2018





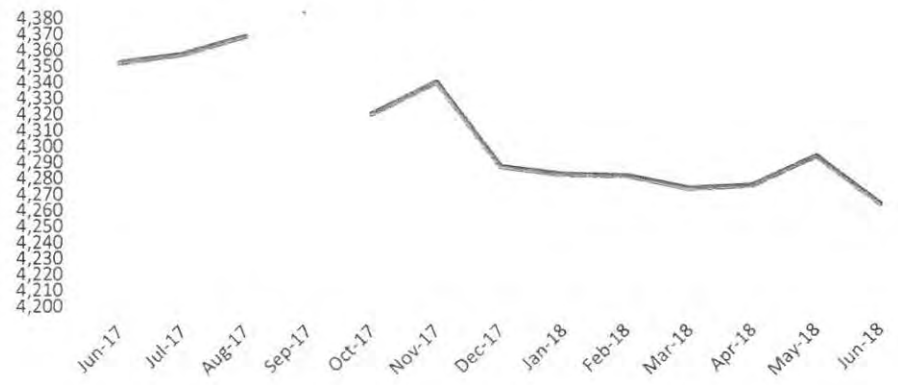
Carter Co.



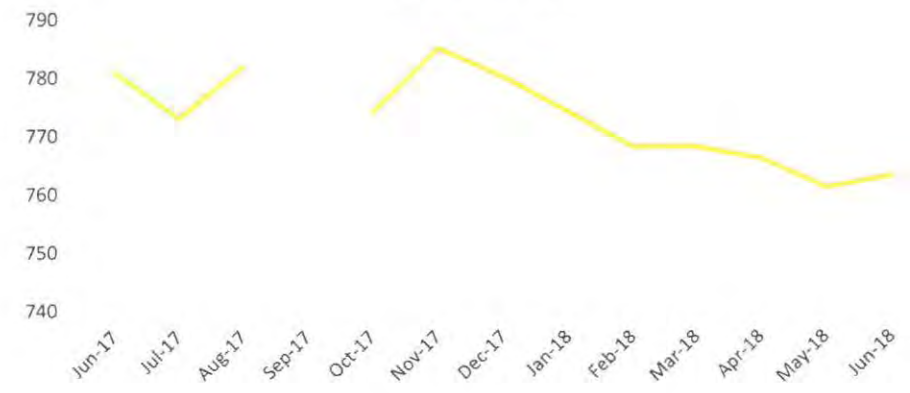
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







**JUNE 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		21		324.36	(324.36)	
100	NEW LINE EXTENSIONS		17		30,323.14	30,323.14	1,783.71
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		1		2,129.11	2,129.11	2,129.11
603	SECTIONALIZERS		7		7,155.95	7,155.95	
604	REGULATORS						
606	POLES		45	POLES	158,586.55	158,586.55	3,524.15
701	SECURITY LIGHTS		23		17,277.20	17,277.20	751.18
1600	MINOR PROJECTS		4		14,364.10	14,364.10	
	TOTAL		105		<b>230,160.41</b>	<b>229,511.69</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	2		1,381.86	1,381.86	690.93
	METERS	370.00	0		0.00	0.00	0.00
	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	2		39,741.42	39,741.42	19,870.71
	TOTAL		4		<b>41,123.28</b>	<b>41,123.28</b>	
	MATERIAL				<b>28,308.47</b>		
	MATERIAL OH				<b>40,396.07</b>		
	LABOR				<b>22,340.40</b>		
	LABOR OH				<b>45,794.86</b>		



## REVENUE SUMMARY JUNE 2018

	<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>
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 282,241.13	\$ (32,566.26)	\$ 5,509.29	\$ 13.75	\$ 2,493.13	\$ 20,585.93	\$ 278,276.97	\$ 6,588.62	\$ 9.9
Class 11 (Non-Electric House)	\$ 307,507.19	\$ (35,902.53)	\$ 10,336.93	\$ 24.75	\$ 1,053.28	\$ 22,818.11	\$ 305,837.73	\$ 4,718.55	\$ (11.7)
Class 13 (Non-Electric Mobile Home)	\$ 65,505.75	\$ (7,430.57)	\$ 1,497.81	\$ 5.50	\$ 615.11	\$ 4,802.88	\$ 64,996.48	\$ 1,315.81	\$ -
Class 14 (All Electric House)	\$ 836,613.91	\$ (100,795.76)	\$ 18,349.80	\$ 74.25	\$ 2,659.82	\$ 61,039.75	\$ 817,941.77	\$ 13,818.71	\$ 21.0
Class 61 (Security Light)	\$ 55.99	\$ (155.40)	\$ 1,372.60	\$ 2.75	\$ 9.33	\$ 103.37	\$ 1,388.64	\$ 9.69	\$ 2.9
<b>44010 TOTALS</b>	<b>\$ 1,491,923.97</b>	<b>\$ (176,850.52)</b>	<b>\$ 37,066.43</b>	<b>\$ 121.00</b>	<b>\$ 6,830.67</b>	<b>\$ 109,350.04</b>	<b>\$ 1,468,441.59</b>	<b>\$ 26,451.38</b>	<b>\$ 22.0</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 18,224.13	\$ (1,221.27)	\$ 451.20	\$ -	\$ -	\$ 1,415.19	\$ 18,869.25	\$ 215.33	\$ 9.5
Class 15 (Camps)	\$ 22,279.16	\$ (1,613.39)	\$ 284.08	\$ -	\$ 51.31	\$ 1,697.12	\$ 22,698.28	\$ 528.00	\$ 18.5
Class 16 (Barns)	\$ 18,741.46	\$ (1,011.08)	\$ 701.95	\$ -	\$ 27.99	\$ 1,493.20	\$ 19,953.52	\$ 381.73	\$ 4.7
Class 17 (Garages, Out-buildings)	\$ 43,752.58	\$ (2,810.19)	\$ 1,071.31	\$ -	\$ 49.40	\$ 3,405.73	\$ 45,468.83	\$ 579.12	\$ 162.5
Class 18 (Meters on Poles)	\$ 7,918.09	\$ (554.34)	\$ 202.60	\$ -	\$ 20.32	\$ 613.09	\$ 8,199.76	\$ 72.40	\$ 35.1
Class 19 (Un-Inhabitable Houses)	\$ 692.89	\$ (25.78)	\$ 39.09	\$ -	\$ -	\$ 57.25	\$ 763.45	\$ 23.09	\$ -
Class 20 (Miscellaneous)	\$ 1,315.44	\$ (68.48)	\$ 57.88	\$ -	\$ 9.33	\$ 105.28	\$ 1,419.45	\$ 15.04	\$ -
<b>44040 TOTALS</b>	<b>\$ 112,923.75</b>	<b>\$ (7,304.53)</b>	<b>\$ 2,808.11</b>	<b>\$ -</b>	<b>\$ 158.35</b>	<b>\$ 8,786.86</b>	<b>\$ 117,372.54</b>	<b>\$ 1,814.71</b>	<b>\$ 230.4</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 152,564.27	\$ (17,689.29)	\$ 3,398.79	\$ 5.50	\$ -	\$ 11,216.43	\$ 149,495.70	\$ 2,403.62	\$ 6,629.9
Class 26 (Security Light)	\$ -	\$ (28.88)	\$ 293.05	\$ -	\$ -	\$ 21.45	\$ 285.62	\$ 8.08	\$ 14.5
Class 28 (Churches)	\$ 14,732.31	\$ (1,579.77)	\$ 1,570.51	\$ -	\$ -	\$ 1,194.04	\$ 15,917.09	\$ (12.06)	\$ 313.9
<b>44210 TOTALS</b>	<b>\$ 167,296.58</b>	<b>\$ (19,297.94)</b>	<b>\$ 5,262.35</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 12,431.92</b>	<b>\$ 165,698.41</b>	<b>\$ 2,399.64</b>	<b>\$ 6,958.3</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 207,535.95	\$ (31,477.98)	\$ 988.49	\$ -	\$ -	\$ 14,358.53	\$ 191,404.99	\$ 2,920.24	\$ 6,779.9
Class 47 (Pumping Station)	\$ 102.75	\$ (9.12)	\$ -	\$ -	\$ -	\$ 7.59	\$ 101.22	\$ -	\$ 6.0
Class 79 (All Electric School)	\$ 27,878.14	\$ (4,292.33)	\$ 476.00	\$ -	\$ -	\$ 1,951.43	\$ 26,013.24	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 235,516.84</b>	<b>\$ (35,779.43)</b>	<b>\$ 1,464.49</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,317.55</b>	<b>\$ 217,519.45</b>	<b>\$ 2,920.24</b>	<b>\$ 6,785.9</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison))	\$ 165,733.84	\$ (39,353.92)	\$ 28.94	\$ -	\$ -	\$ 10,251.76	\$ 136,660.62	\$ -	\$ 5,566.0
<b>44230 TOTALS</b>	<b>\$ 165,733.84</b>	<b>\$ (39,353.92)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,251.76</b>	<b>\$ 136,660.62</b>	<b>\$ -</b>	<b>\$ 5,566.0</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (55.60)	\$ 599.42	\$ -	\$ -	\$ 44.10	\$ 587.92	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (55.60)</b>	<b>\$ 599.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44.10</b>	<b>\$ 587.92</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,173,394.98</b>	<b>\$ (278,641.94)</b>	<b>\$ 47,229.74</b>	<b>\$ 126.50</b>	<b>\$ 6,989.02</b>	<b>\$ 157,182.23</b>	<b>\$ 2,106,280.53</b>	<b>\$ 33,585.97</b>	<b>\$ 19,562.92</b>
							<b>TOTAL REVENUE</b>		
								<b>\$ 2,205,880.14</b>	



**219 Analysis**

**1st Year**  
Closed In Jan 2015 - Dec 2015

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
9 Retirements	256		(\$3,997.18)	-		
100 New Line Extensions	257	222	\$748,709.56	756,810.00	2,913.27	3,409.05
200 Tie Lines			\$0.00	-		
300 Major Projects			\$1,841,249.21	1,481,760.00		
601 Meters	1,649	3,324	\$371,972.55	\$495,276.00	-	149.00
Transformers (padmount)	324	297	\$309,242.04	523,222.00	954.45	1,761.69
Other Special Equipment	29		\$35,248.42	-		
602 Service Upgrades	31	55	\$59,832.91	103,086.00	1,930.09	1,874.29
603 Sectionalizers	46		\$67,847.51	392,438.00		
604 Regulators	0		\$-	355,950.00		
606 Pole Replacements	347	422	\$1,255,755.14	1,409,480.00	3,618.89	2,410.75
701 New Security Lights	225	222	\$135,640.94	130,758.00	602.85	589.00
1600 Minor Items	75		\$120,236.46	-		
<b>Total</b>			<b>\$4,941,737.56</b>	<b>5,648,780.00</b>		

**2nd Year**  
Jan 2016 - Dec 2016

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	266		(\$3,370.34)	-		
New Line Extensions	254	222	\$634,762.96	794,673.00	2,499.07	3,579.61
Tie Lines			\$0.00	-		
Major Projects			\$897,457	764,160.00		
Meters	1,238	3,324	\$280,041.18	518,544.00	226.20	156.00
Transformers (padmount)	253	297	\$266,687.19	564,303.00	1,054.10	1,900.01
Other Special Equipment	68		\$140,434.88	0.00		
Service Upgrades	29	55	\$77,720.74	108,247.00	2,680.03	1,968.13
Sectionalizers	57		\$79,055.12	412,065.00		
Regulators	0		\$-	73,870.00		
Pole Replacements	369	422	\$1,225,100.34	1,479,954.00	3,320.06	3,507.00
New Security Lights	348	222	\$258,910.17	137,418.00	743.99	619.00
Minor Items	47		\$69,046.65	0.00		
<b>Total</b>			<b>3,925,846.06</b>	<b>4,853,234.00</b>		

**3rd Year**  
Jan 2017 - Dec 2017  
(year to date)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	282		(\$2,618.86)	-		
New Line Extensions	247	222	\$759,877.57	834,366.00	3,076.43	3,758.41
Tie Lines			\$0.00	-		
Major Projects			\$195,029.86	299,600.00		
Meters	1,858	3,324	\$421,158.73	545,136.00	226.67	164.00
Transformers (padmount)	249	297	\$240,593.27	588,550.00	966.24	1,981.65
Other Special Equipment	2		\$26,332.51	0.00		
Service Upgrades	18	55	\$34,546.13	113,621.00	1,919.23	2,065.84
Sectionalizers	50		\$63,139.59	432,665.00		
Regulators	1		\$28,695.86	0.00	28,695.86	-
Pole Replacements	295	422	\$1,121,156.08	1,553,804.00	3,800.53	2,410.75
New Security Lights	438	222	\$332,334.13	144,300.00	758.75	650.00
Minor Items	47		\$83,587.06	0.00		
<b>Total</b>			<b>3,303,831.93</b>	<b>4,512,042.00</b>		

**4th Year**  
Jan 2018 - Dec 2018  
(year to date - June)

	Number	Budget	Cost	Budget	Unit Cost	Budgeted Unit Cost
Retirements	169		(\$2,826.55)	-		
New Line Extensions	90	222	\$282,638.11	876,057.00	3,140.42	3,946.20
Tie Lines		0	\$0.00	0.00		
Major Projects		0	\$281,279.38	307,860.00		
Meters	99	3,324	\$17,685.18	571,728.00	178.64	172.00
Transformers (padmount)	54	297	\$47,214.22	618,001.00	874.34	2,080.81
Other Special Equipment	4	0	\$78,335.92	0.00		
Service Upgrades	12	55	\$34,759.46	119,318.00	2,896.62	2,169.42
Sectionalizers	27	0	\$33,678.14	454,295.00		
Regulators	0	0	\$-	164,100.00		
Pole Replacements	183	422	\$694,040.68	1,631,452.00	3,792.57	2,410.75
New Security Lights	201	222	\$160,509.68	151,404.00	798.56	682.00
Minor Items	21		\$57,268.69	-		
<b>Total</b>			<b>1,684,582.91</b>	<b>4,894,215.00</b>		



**Major Projects**

	Budget	Actual	Status		Budget Variance
301 Airport Road - Rattlesnake Rdg.	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	\$ 1,076,389.99	Plant	12/31/2017	\$ (470,119.99)
315 Warnock - Montgomery Rd	2015 \$ 357,000	\$ 283,729.65	Plant	4/30/2016	\$ 73,270.35
302 Argentum - Shultz	2016 \$ 145,860	\$ 124,100.67	Plant	4/30/2017	\$ 21,759.33
378 Elliottville - 173	2016 \$ 255,780	\$ 339,151.03	Completed		\$ (83,371.03)
307 Low Gap - Alcorn	2016 \$ 174,970	\$ 236,621.55	Completed		\$ (61,651.55)
311 Pactolus - Iron Hill	2016 \$ 80,490	\$ 99,537.95	Plant	4/30/2017	\$ (19,047.95)
312 Pactolus Campbell Lane	2016 \$ 107,060	\$ 98,045.97	Plant	4/30/2017	\$ 9,014.03
303 Argentum - Shultz to Sheep Hlw.	2017 \$ 11,920	\$ 36,649.06	Plant	12/31/2015	\$ (24,729.06)
375 Carter City - Lost Crk	2017 \$ 166,700	\$ 117,041.93	Completed		\$ 49,658.07
385 Mazie - Blaine	2017 \$ 120,980	\$ 41,338.87	Completed		\$ 79,641.13
309 Mazie - Cains Crk	2018 \$ 232,790	\$ 214,079.79	Completed		\$ 18,710.21
313 Pelphey - Prater Rd	2018 \$ 6,760	\$ 31,103.70	Plant	1/31/2018	-24343.7
314 Pelphey - Bailey Hlw	2018 \$ 68,310	\$ 36,095.89	Completed		32214.11
	\$ 2,853,380	\$ 3,215,016			\$ (410,356)
Corral Park		\$ 112,013.04			





**Workplan to Date - Thru 06/18**  
January 2015 - December 2018

	Number	Budget	Cost	Budget	Budgeted	
					Unit Cost	Unit Cost
Retirements	973	0 \$	(12,812.93) \$	-		
New Line Extensions	848	888 \$	2,425,988.20 \$	3,261,906.00	2,860.84	3,673.32
Tie Lines	0	0 \$	- \$	-		
Major Projects	0	0 \$	3,215,015.62 \$	2,853,380.00		
Meters	4844	13296 \$	1,090,857.64 \$	2,130,684.00	225.20	160.25
Transformers	880	1188 \$	863,736.72 \$	2,294,076.00	981.52	1,931.04
Other Special Equipment (padmount)	0	0 \$	- \$	-		
	103	0 \$	280,351.73 \$	-		
Service Upgrades	90	220 \$	206,859.24 \$	444,272.00	2,298.44	2,019.42
Sectionalizers	180	0 \$	243,720.36 \$	1,691,463.00		
Regulators	1	0 \$	28,695.86 \$	593,920.00	28,695.86	-
Pole Replacements	1194	1688 \$	4,296,052.24 \$	6,074,690.00	3,598.03	2,410.75
New Security Lights	1212	888 \$	887,394.92 \$	563,880.00	732.17	635.00
Minor Items		0 \$	330,138.86 \$	-		

<b>Total Routine</b>			<b>10,640,983</b>	<b>17,054,891</b>		
<b>Major Projects</b>			<b>3,215,016</b>	<b>2,853,380</b>		
<b>Total Workplan</b>			<b>13,855,998</b>	<b>19,908,271</b>		

as of April 11, 2018:

<b>Total Advanced to Date</b>			<b>\$4,000,000</b>	<b>\$11,770,953</b>		
<b>Amount Encumbered - not advanced</b>			<b>\$7,770,953</b>			
<b>Yet to be Encumbered</b>			<b>\$7,554,047</b>			
<b>Total Loan</b>			<b>\$19,325,000</b>			
<b>Unadvanced Loan Funds</b>			<b>\$15,325,000</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 20, 2018

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 September 2018** 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.

Bradley Cherry's report will be mailed separately this month

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

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 20, 2018

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, September 28, 2018 at 9:00 a.m.

Bradley Cherry's report will be mailed separately this month.

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  
BOARD MEETING AGENDA

On September 28, 2018, 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. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for July 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Rate Case Update
9. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:
 

April 2018	Work Order No. 1290	\$164,403.75
	Work Order No. 1291	\$ 3,189.39
May 2018	Work Order No. 1292	\$195,265.65
	Work Order No. 1293	\$ 12,678.04
June 2018	Work Order No. 1294	\$215,147.59
	Work Order No. 1295	<u>\$ 14,364.10</u>
	Total	\$605,048.52
10. Cooperative Legal Matters – W. Jeffrey Scott
11. Manager of Technical Services Report – Brian Poling.
12. Manager of Marketing & Member Services Report – Kim Bush
13. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
14. Approval of Ninety-Nine (99) New Memberships and Retirement of Seventy-Six (76) Existing Memberships for August 2018
15. Consider Approval of Accounts to be Charged Off to Reserve \$3,835.48
16. Consider Approval of President's Business Expense in the Amount of \$223.80, Director's Business Expense in the Amount of \$8,214.53 and Attorney's Business Expense in the Amount of \$8,692.24

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA  
SEPTEMBER 28, 2018  
PAGE 2

17. Consider Community Service and/or Donations
18. Approval of Attendance at Meetings – Directors and Employees
19. Report of Meetings Held
20. Confirm Date for the September Board Meeting – Friday, October 26, 2018
21. Additional Business
22. Adjourn



On August 24, 2018 at 9:10 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; Priscilla Sparks, Executive Assistant and Bradley Cherry, Chief Financial Officer.

INVOCATION

Director Whitt 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 July Board Meeting for informational purposes only.

ALAN ZUMSTEIN – AUDIT

Alan Zumstein, CPA, presented the Management Letter of the Independent Auditor's Report and the results of the Audit for the Fiscal Year for June 1, 2017 through May 31, 2018. He stated the following:

\*No real significant changes in assets. Accounts Receivable decreased significantly since last year due to change in billing cycle. Equity is 35% of our assets. Excluding East Kentucky Power's capital credit allocations, our true equity is approximately 19%.

\*The Financial Statement was reduced by a little less than \$.7 million due to the change in our billing cycle. Operating expense, without purchase power, increased little less than 5%.

\*We are filing a rate application with the PSC. Non-rate making expenses such as donations for charitable organizations, scholarships, health insurance premiums for directors and attorney, and non-recurring items cannot be included in the rate case.

\*Patronage Capital has not changed. We refunded over \$3 million dollars to our members. Cash flows from Operating should be higher than cash flows from Investing, instead of borrowing (Cash Flows from Financing), which affects T.I.E.R. and equity. There were no changes in depreciation and there were no changes in the Notes to the Financial Statement.

The FFB (Long Term Debt) increased this year from .203% to 1.738%. The Pension Plan with NRECA has kept the contribution rate level. Internal Controls (work orders, material, payroll, invoices, and reimbursement of directors and employees trips, etc.) showed no deficiencies. We have complied with Aspects of Contractual Agreements and Regulatory Requirements for electric borrowers.

Chairman Dupuy asked if it was okay to use the same firm year after year for audits and asked if there was any authority that would frown on Grayson using the same auditor year to year. Mr. Zumstein said no.

Motion was made by Director Trent to accept the 2017-2018 Financial Audit as presented, seconded by Director Whitt and unanimously agreed upon.

PRESIDENT'S REPORT	President Fraley reported on the following:
PSC INSPECTION	Jeff Moore with the PSC visited Grayson's territory for a Periodic Vegetation and Maintenance Inspection July 16-19, 2018, reviewing utility operations and management practices. No deficiencies were identified.
ACRE	We receive a certificate from Action Committee for Rural Electrification (ACRE) for 100% Management enrollment.
KAEC VOTING DELEGATES AND BOARD MEMBERS	Voting Delegates to the 2018 KAEC Annual Meeting remain the same. Roger Trent will serve as Voting Delegate and Harold Dupuy will serve as Alternate Voting Delegate. The 2019 Board Members are Director Jimmy Whitt and President and CEO, Carol Hall Fraley, alternate.
CFC VOTING DELEGATES	The 2018 CFC Voting Delegate is Director Jimmy Whitt and Harold Dupuy, Alternate.
NRUCFC BOARD SEAT	Mike McNalley is running for NRUCFC At-Large Board of Directors – Financial Expert position.
VACATION	President Fraley took one week off for vacation in August.
AUDIT AND RATE CASE	We have been working with Jim Adkins and Alan Zumstein on the audit as well as the rate case.
JULIE LEWIS	Julie Lewis has submitted her resignation, so she can help her husband with the family business. She will be leaving the first of November. We do not plan to fill this position at this time.
WAGE & SALARY	September is wage and salary month for our non-union employees. The union workers received \$.50 on the hour. Following thorough discussion, Director Martin made a motion, seconded by Director Trent to give each employee an increase of 50 cents per hour with some smaller increases for those who assumed additional duties.
PSC MEETING	<p>The Cooperatives were called to a PSC meeting Tuesday in regards to dues we pay the Commission annually. Bradley Cherry attended for Grayson. We pay \$180,000 in dues to the Commission each year. The PSC says the state takes 50% of that and puts it in their general funds. They are requesting the Coops to go to their legislators and ask them to leave the money at the Commission. They are going to propose a couple of changes to the legislature in January. They want to streamline rate cases, to make filing easier and less expensive. Our assessment is based on our property tax, listed on our annual report.</p> <p>PSC at one point had 110-120 employees and are now down to 65. They are working on efficient ways of filing rate cases and may eliminate formal hearings, changes in protocol and expensive cost of service studies for upwards of \$100,000.</p>
KAEC DIRECTOR'S REPORT	Director Whitt reported there was not a KAEC Board Meeting this month.
EKPC DIRECTOR	Director Arrington reported on the following on the East Kentucky Power Cooperative Board Meeting.

EKPC DIRECTOR  
(CONTINUED)

Rates was discussed most of the day. They are assuming that early 2019 they will have a rate increase. They had a consultant to come and discuss different revenues, margins and recovery of cost to provide service. Utilities margins, TIER, OTIER, MDSC, FAC were defined and addressed. Wages, rate case expense, \$80,000, cost of service study, snap shot of 12 month test period and allocate utility cost to customers was explained. Industry standard approach was discussed.

Director Whitt asked what the usual length was on rate increases. Our last rate increase lasted six years.

Director Whitt asked about East Kentucky's predicted rate increase. East Kentucky is asking for a 3%-5% operating increase, 10-12% based on the PSC's decision still pending on East Kentucky Power and another 10% depending on Farm Bill.

FINANCIAL & STATISTICAL  
REPORT FOR JUNE 2018

Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for June 2018:

SALES AND PURCHASES

Kilowatt hour sales for the month of June were 3.91% over budget. Purchases for the month of June were 4.88% over budget. Line loss for the last twelve months was 5.50%. Year-to-date margins were \$267,142 compared to the budgeted amount of (\$371,214). Kilowatt sales were down 4% compared to 2017. When we get through the billing cycle it should start evening out. Purchasing was up 7% compared to last year.

FUEL ADJUSTMENT

The fuel adjustment for June was (0.003894).

ESC

The environmental surcharge was 8.84%.

DEGREE DAYS

There were 298 cooling degree days and 0 heating degree days.

T.I.E.R.

June 2018's monthly O.T.I.E.R. was 3.49 with the rolling 12 month O.T.I.E.R. at (0.22).

BILLS

We mailed 15,373 bills for the month of June

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR JUNE 2018

Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for June 2018 as presented, for informational purposes only.

RATE CASE

Alan and Jim are working on our rate case application and the newspaper notices will be in the papers next week. Wages and benefits are what the Commissions scrutinized the most. We think the wage and salary study done last year for our region and compared with other Coops will helps us with that.

INSURANCE

We received our proposed renewal rates for 2018-2019's retirement and health plan. There was an R & S retirement plan increase of .6% on outside workers and .2% on inside workers based on the average age on both groups. Business travel stayed the same. An increase of 6.5% on medical with high deductible; this increase was due to the age of inside workers, having less than seventy five employees, along with low percentage rates the past three years.

INSURANCE  
(CONTINUED)

Motion was made for accepting the insurance rate as presented by Director Martin, seconded by Director Trent and unanimously agreed upon.

CAPITAL CREDITS

Deceased capital credits will be mailed out next week.

We will set down with SEDC and looked at what services they can provide for us at no cost and some things that will cost.

President Fraley is currently working on metering, the next work plan and construction bidding.

RUS WORK ORDERS

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the following 219 RUS Work Orders for the months of January, February and March 2018 in the amount of \$698,934.42:

January 2018	Work Order No. 1284	\$234,077.34
	Work Order No. 1285	\$12,811.03
February 2018	Work Order No. 1286	\$210,983.05
	Work Order No. 1287	\$3,687.15
March 2018	Work Order No. 1288	\$226,836.87
	Work Order No. 1289	\$10,538.98
	Total	\$698,934.42

LEGAL COUNSEL

Legal Counsel Scott finished up all remaining filing on the South KY case. All were submitted by August 7, 2018. No decision has been made. Bradley said it will be another month before any resolution, as they are just starting to formulate an order.

RIGHT-OF WAY EASEMENTS

Dozens of right-of-way easement have been reviewed and recorded. He hand delivered a bunch to Greenup this week.

Legal Counsel received from Carol Ann yesterday membership applications used by Fleming Mason, Clark and Shelby Electric showing the membership wording. The three membership applications were thoroughly discussed. The current right of way requirements take at least an hour to process and may cause the membership applicants more than one trip to the office. If it meets legal requirement it would make it easier, but Legal Counsel said they were not acceptable. He said if a renter comes in and the poles and lines are already there, we could ask them to get an easement from the property owner and go ahead with energizing their meters.

People who have an account with us would be exempt. All new accounts would require the complete right of way process.

Director Arrington made a motion to do away with right-of-way easements. Director Arrington made a motion to withdraw his motion to do away with right-of-way easements.

Director Martin made a motion to table the right-of-way easements until the September Board Meeting, seconded by Director Bentley. Everyone agreed.

RIGHT-OF WAY EASEMENTS (CONTINUED) Chairman Dupuy asked Legal Counsel Scott to research on what to do if the electric lines are existing. Constructive easement was discussed briefly.

MANAGER OF TECHNICAL SERVICES Brian Poling, Manager of Technical Services reported on the following:

LANDIS + GYR CONTRACT We have been working on the Landis+Gyr contract since the last Board meeting and waiting to hear back from them. He inquired this morning and possibly could have a tentative contract this afternoon. Legal Counsel will review the contract.

MAPPING We have been working on meter designs, creating electronic forms to track installation of the routers and collectors and mapping the 735 GPS locations to the nearest pole included in Landis+Gyr's propagation study.

DRONE PILOTS – ROBERT BROWN AND TONY BREWER Robert Brown and Tony Brewer have completed their training to become commercial drone pilots. They will take a test in the next couple of weeks once they schedule with an airport at Mt. Sterling. The test covers many things outside what they will use on a day-to-day basis but need to pass the FAA's test.

Once they acquire their pilot's licenses, they will be making application for the cooperative to have waivers for certain types of flights, nighttime flight waivers as well as registering with FAA our service territory for other pilots to know we may be flying any were on our system.

COMPUTER NETWORK We have now installed a redundant layer 3 switch on our computer network. That is a switch that directs all our internal and external network traffic. It was the one weak point that had the potential to shut us down.

We have also increased our data storage to allow an upgrade to our meter data management system (MDM) as well as encryption of our data. The MDM is the repository for the meter readings that allows prepay meters to get a daily update on usage and money remaining. We had SEDC encrypted all our UPN data (consumer information, payroll, accounting, capital credits...everything) last night as another layer of protection. That included all the consumer information, payment records, payroll, accounting, capital credits...all our information that SEDC covers. Now, should a hacker get to our data, they would not be able to read the information.

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 2 – Kyle Clevenger, Manager of Operations, was in charge of meeting. Due to the storm that went thru on July 1<sup>st</sup> the meeting was cancelled. All Lineman had been working all night and was still out restoring power.

July 12 – Carol Ann Fraley, President and CEO, turned the meeting over to Tony Dempsey, KAEC Safety Instructor, who went over four accidents that



SAFETY REPORT  
(CONTINUED)

involved lineman in the first week in July. He also showed videos and a power point on distractive driving, staying focused and do not use cell phone while driving. Kyle Clevenger stated that it was going to be hot to watch over each other.

July 16 – Mike Martin, Assistant Manager of Operations, read from the safety manual on Material Handling and Storage and Explosives, pages 301 and 302. Kyle Clevenger and Priscilla Sparks presented Justin Staniford a Certificate of Completion for Basic Skills Workshop.

July 23 – Andrea McCleese, Technical Services Supervisor, showed a video on Cyber Security and went over what the members can use on the mobile apps such as payments, outages, arrangements and history of usage. Kyle Clevenger requested everyone to work safe, watch over each other, use safety equipment, and watch for slips, trips and falls.

July 31 – August 1 – Jamie Hull with East Kentucky Power was here to do First Aid and CPR certifications for all co-op employees.

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.

JOBS BUILT

Construction built one hundred five (105) new work orders (including 16 services added and 12 services retired) for the month of July and worked zero (0) hours of overtime.

DELINQUENT NOTICES

There were 170 delinquents for August. Seventy-one (71) cards were issued to be disconnected and 6 accounts were disconnected by remote on August 7 for cycle 1. Seventy-seven (77) cards were issued to be disconnected and 16 accounts were disconnected by remote on August 14 for cycle 2. Field personnel disconnected a total of 9 meters and a total of 20 meters were reconnected by field personnel and remote.

OVERTIME HOURS

The Maintenance Department worked nine hundred ten (910) hours of overtime. The Engineering Department worked twenty-eight (28) hours of overtime.

CONTRACT CREWS

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

Tony Seagraves—Corral Park in Carter County  
Bob Marrow—Coordination and Pole Changes in Greenup and Carter Counties

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and workorders at this time. Crew's trimmed 612 trees, cut 628 trees, cut 33,765 feet of brush/line and sprayed 273 spans of line. The crews are working in the following areas:

1 cutting crews in Carter, Lewis and Greenup Counties  
1 cutting crew in Lawrence County  
1 cutting crew 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

RIGHT-OF-WAY CREWS (CONTINUED)	<p>1 tractor crew in Carter County 3 spray crews in Greenup County</p> <p>Smith Tree Service circuit crew have been on ST RT 32 between Sandy Hook and Isonville, Elliott County.</p> <p>Mike Martin said they just finished up the Isonville circuit and are now hand spraying it and Howards Creek.</p>
ENGINEERING REPORT	<p>The Engineering Department released one hundred seventy-eight (178) prints consisting of 6,676 feet of primary line and 2,091 feet of service wire.</p> <p>They currently have four (4) new services to be staked and four (4) to be drawn. There are sixteen (16) miscellaneous jobs to be staked or drawn, largely due to the substation readings.</p>
AIRPORT ROAD SUBSTATION	<p>East Kentucky found vandalism in the Airport Road Substation. The fence was cut on the backside. They were very close to getting electrocuted. The grounding system we have now is not all copper. They only got \$15 worth of copper. They cut all the regulators, but one.</p>
MIKE REYNOLDS	<p>Mike Reynolds received his new bucket truck this week.</p>
MANAGER OF MARKETING AND MEMBER SERVICES	<p>Kim Bush, Manager of Marketing and Member Services reported on the following.</p>
ANNUAL MEETING	<p>The cost of the Annual Meeting was over budget \$3,300 due to the purchase of extension cords. We had a good meeting registering 1,236 members.</p>
PSC DISCONNECT MEMBERS	<p>Kim finished the PSC Disconnection / Reconnection Report PSC for July 2017 – June 30, 2018. She reported 357 disconnections and 247 reconnections.</p>
PREPAY	<p>Compared to this time last year we are up 121 prepays for a total of 765 active accounts and 9 inactive accounts.</p>
ENERGY	<p>Tina is still receiving energy calls and has been out on three energy audits, 2 heat pumps, 1 Touchstone Energy Home, 1 CARES and 1 Button-Up. People are still using energy rebates. East KY is still paying for these programs, but we don't know for how much long.</p>
KUEHNER ALAN V/NANCY SOLAR PANELS	<p>Alan and Nancy Kuehner purchased some solar panels making us a total of 97 solar panels sold.</p>
BLAINE REDIFEST	<p>Kenneth and Edna Arrington and Peggy Wells worked the Blaine RediFest on August 3 handing out school supplies.</p>
GREENUP COUNTY FAIR	<p>The Greenup County Fair is Friday night and we will participate with Kids In The Races.</p>
HONOR FLIGHT	<p>Delmaine Skaggs of Sandy Hook and Billy Messer of Greenup will be the Veterans on the Honors Flight to Washington D. C. September 22<sup>nd</sup>. Robert Brown and Justin Staniford and will serve as Guardians.</p>

- CLEANING The office will be closed Monday, October 8, for our annual fall cleaning. All employees will be working.
- GRAYSON CHAMBER We will be hosting Grayson Area Chamber on October 9<sup>th</sup> at noon and will have the First Responders Training that evening at 6:00 p.m.
- CO-OP PICNIC We do not know if there will be a company picnic this year. We are waiting to hear back from the employees.
- SAFETY DEMONSTRATION October 1<sup>st</sup> and 2<sup>nd</sup> will be the Carter County Conservation Field Days at Camp Webb for all 4<sup>th</sup> grade students in Carter County. We will be doing the safety demonstration for them.
- CHRISTMAS The scheduled date for our annual Christmas dinner/years of service awards is December 14<sup>th</sup>.
- CHRISTMAS BUDGET The proposed Christmas budget for 2018 is \$23,400. This includes the dinner, Santa gifts, staff and board gifts, years of service awards, and Christmas bonus for everyone.
- Motion was made by Director Trent to approve the 2018 Christmas budget, seconded by Director Whitt and unanimously agreed upon.
- APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve eighty-seven (87) new memberships and retirement of ninety-one (91) existing memberships for July 2018.
- BAD DEBT WRITE-OFFS Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to charge off \$5,313.97 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 Trent, seconded by Director Martin and unanimously agreed to approve the President's business expense of \$233.22, Director's business expenses of \$9,501.87, and Attorney's business expense of \$9,491.00.
- DONATIONS We received a thank you from the Elliott County Public Library and one from Billy T. and Fern Rice.
- President Fraley presented to the Board for their consideration the following donation requests:
- |   |              |
|---|--------------|
| Carter County Relay for Life  | \$250        |
| Greenup County Varsity Cheer – golf tournament                          | \$100        |
| Trooper Island – Hidden Cove Tournament – for boys/girls camp           | \$100        |
| Elliott County Softball – Lady Lions Softball- Bruin Open Golf Scramble | \$100        |
| Lawrence County Food Bank – food pantry                                 | \$250        |
| Elliott County Chamber Dues – renewal for 2018                          | \$300        |
| Greenup County Livestock Committee – sponsor 4H youth (fair)            | <u>\$500</u> |
|   | \$1,600      |
- Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.



MEETING ATTENDANCE           The following upcoming meetings were presented for attendance this month.

Director Martin met with Don Mosier of East Kentucky Power to discuss what they are allowing Grayson to use the \$10,000 for. He feels East Kentucky should come up two times a year and give us an update on what is going on.

President Fraley noted that it is highly unusual for an officer of the G&T to meet one-on-one with a director of a member owner system and she has concerns about this.

Director Arrington said President and CEO Campbell needs to come up and thinks it is in his contract to visit the Cooperatives annually. President Fraley said she will invite him up whenever they would like for her to do so.

BOARD MEETING DATE        The September Board Meeting will be held on Friday, September 28 at 9:00 a.m.

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

EXECUTIVE SESSION         Director Martin called for an Executive Session at 12:37 p.m. and came out of Executive Session at 12:55 p.m.

ADJOURN                       Chairman Dupuy adjourned the meeting at 12:56 p.m.

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

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

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



































President and CEO's Expenses

June 12 – July 19, 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
7/12/18	174928	*Gina Lane – GRECC Board and Wm Rice retirement lunch	\$6.00
7/19/18	174973	*Gina Lane – GRECC Board and Wm Rice retirement lunch	\$6.00
8/6/18	175111	Visa charges: *6/18-19 – KAEC Board Mtg., Louisville, KY – lunch *6/18-19 – KAEC Board Mtg., Louisville, KY – room *6/22 – GRECC Board Meeting, Grayson, KY – lunch *7/11 – GRECC Staff Meeting, Grayson, KY – lunch	\$32.06 \$149.74 \$13.50 \$16.50
		Total Expenses	\$223.80

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

July-18

**KENNETH ARRINGTON**

<b>Per Diem</b>	- GRECC Bd. Mtg. (7/20)	\$ 343.60
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (6/22)	13.49
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 1,009.05</b>

**JIM BENTLEY**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>VISA</b>	- Region II & III	1,074.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 1,712.71</b>

**HAROLD DUPUY**

<b>Per Diem</b>	- GRECC Bd. Mtg. (7/20)	\$ 332.70
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>VISA</b>	- Region II & III	465.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 1,449.87</b>

**EDDIE MARTN**

<b>Per Diem</b>	GRECC Bd. Mtg. (7/20)	\$ 308.72
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (6/22)	13.49
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 974.76</b>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (7/20)	\$ 338.15
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>VISA</b>	- Region II & III	465.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,455.11</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (7/20)	\$ 322.89
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>VISA</b>	- KAEC Bd. Mtg. (6/18-19)	172.59
	Region II & III	465.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,613.03</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- Rice Retirement Dinner	13.84
<b>Excess Hrs</b>	- (27.75) hrs. PSC South KY Case	5,550.00
	(5.25) hrs. Misc. for July	1,050.00
	(5) hrs. R/W Easements	1,000.00
	(2.75) Ky Bank vs. Conley	550.00
<b>Out-of-Pocket</b>	- Record (26) R/W Easements	442.00
	Fedex Fees PSC South KY Case	86.40
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 8,692.24</u>





























# Grayson Rural Electric Financial Report

2018 Board Materials  
659 of 882

September 28, 2018

## At A Glance....

July

<u>kWh Sales (7/01 - 7/31)</u>		<u>Margins</u>	
Month	3.66%	Month \$	72,750.23
YTD	7.48%	YTD \$	339,891.95
<u>kWh Purchases (7/01 - 7/31)</u>		<u>OTIER</u>	
Month	24.00%	Month	1.76
YTD	7.24%	YTD	1.52
<u>Line Loss</u>			
Month	4.86%		
YTD	5.40%		

Fuel Adjustment 0.002181

ESC 8.78%

Degree Days 353

Heating Degree Days 0

Cooling Degree Days 353

### Notes:

- Rate Case Update 2018-00272

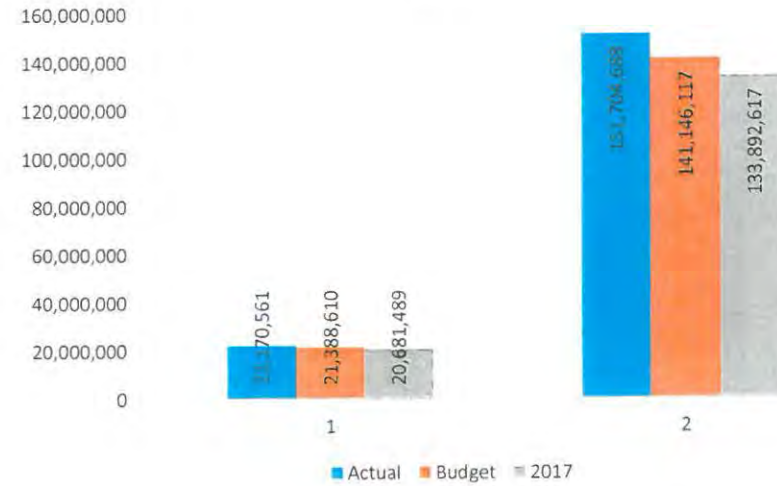


**Sales**

**July**

	2018	2017	2017-2015
Actual	22,170,561	20,681,489	21,990,122
Budget	21,388,610		
Difference	781,951 3.66%	1,489,072 7.20%	180,439 0.82%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	151,704,688	133,892,617	142,344,516
Budget	141,146,117		
Difference	10,558,571	17,812,071	9,360,172
% Difference	7.48%	13.30%	6.58%

**Sales**

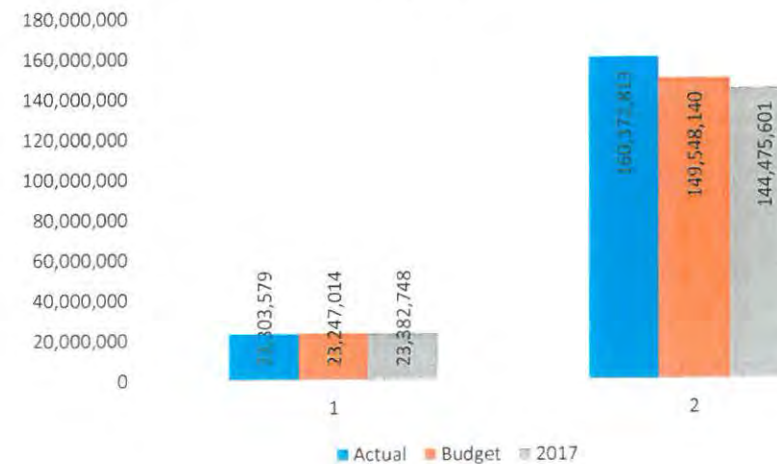


**Purchases**

**July**

	2018	2017	2017-2015
Actual	23,303,579	23,382,748	22,974,678
Budget	23,247,014		
Difference	56,565 0.24%	(79,169) -0.34%	328,901 1.43%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	160,372,813	144,475,601	154,422,015
Budget	149,548,140		
Difference	10,824,674	15,897,212	5,950,798
% Difference	7.24%	11.00%	3.85%

**Purchases**





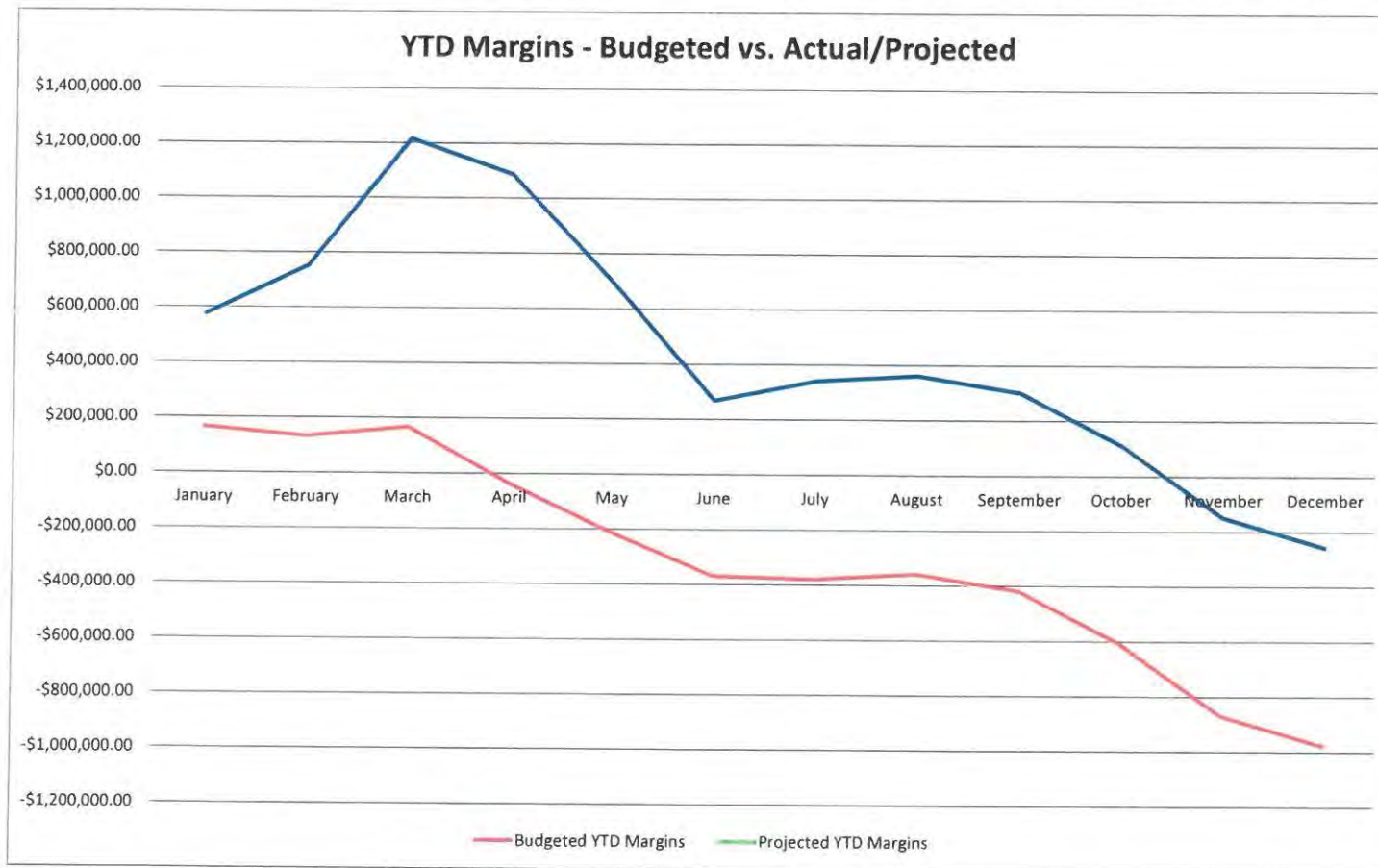
Monthly Operating Revenue & Expenses

	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018
Revenue	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,981,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)
Purchased Power	1,562,764	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128
Gross Margins	(985,637)	(776,837)	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)
Operations	116,084	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275
Maintenance	354,631	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625
Customer Service	94,080	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169
Informational Advertising	16,492	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503
Demonstration Advertising	1,341	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905
Admin & General	150,623	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346
Depreciation	290,289	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100
Regulatory	4,022	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559
Interest - LTD	85,529	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142
Interest - Deposits	668	670	671	668	664	593	1,408	1,396	1,392	1,391	1,394	1,445	1,423
Miscellaneous Expense	1,550	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167
Interest Income	(2,534)	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)
Non-Electric Revenue	(3,339)	(23,477)	(30,761)	(2,224)	(191)	(191)	1,535	47	(9,053)	582	(1,783)	(2,190)	(1,959)
Capital Credits	-	-	(33,801)	-	-	-	-	(2,354)	(68,289)	-	-	-	-
Margins	123,799	206,575	1,292,347	306,529	68,841	(422,400)	(573,166)	(177,210)	(463,671)	128,463	394,450	424,432	(72,750)
* ( )'s = positive margins													
Operating Expenses	1,115,309	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,082,838	1,043,244	1,124,476	1,128,823	1,201,963	1,099,889	1,109,213
Monthly OTIER	(0.45)	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76
Revenue	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(28,886,584)	(30,165,783)	(30,045,070)	(29,636,079)	(29,768,351)
Purchased Power	17,259,561	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,816,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236
Gross Margins	(12,164,177)	(12,010,062)	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,779,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,115)
Operations	1,204,016	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,802	1,359,607	1,340,835	1,371,826	1,387,164	1,388,355
Maintenance	3,341,626	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,189	3,372,536	3,379,558	3,372,897	3,360,487	3,369,363	3,330,357
Customer Service	1,051,256	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,962	1,095,572	1,105,770	1,104,811	1,108,900
Informational Advertising	254,500	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,186	229,033	225,044
Demonstration Advertising	21,711	22,125	20,832	20,862	21,026	22,103	21,786	22,039	21,526	21,469	21,415	21,626	21,189
Admin & General	1,962,086	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213
Depreciation	3,425,750	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232
Regulatory	41,702	42,382	43,062	43,743	42,410	41,074	41,108	41,142	41,176	41,210	41,244	39,781	38,318
Interest - LTD	922,170	931,245	940,516	948,755	957,790	980,167	982,553	996,207	1,010,096	1,041,614	1,056,893	1,071,890	1,081,503
Interest - Deposits	6,554	6,845	7,138	7,431	7,717	7,941	8,683	9,414	10,143	10,869	11,586	12,360	13,115
Miscellaneous Expense	75,970	43,315	41,829	34,447	33,456	35,148	35,748	39,893	48,372	53,634	58,349	59,248	63,865
Interest Income	(33,611)	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,488)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)
Non-Electric Revenue	(79,668)	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,882)	(78,841)	(75,137)	(73,757)
Capital Credits	(62,937)	(62,937)	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)
Margins	(33,053)	224,535	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615	411,413	368,266	782,405	1,308,690	1,112,141
Operating Expense	12,307,340	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,896,092
Rolling 12 Month OTIER	1.04	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$0.00	\$20,126.23			-\$360,986.16		\$360,018.18
September	\$0.00	-\$60,686.77			-\$421,672.93		\$299,331.41
October	\$0.00	-\$189,227.77			-\$610,900.70		\$110,103.64
November	\$0.00	-\$260,909.77			-\$871,810.47		-\$150,806.13
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$258,172.54







## Margins/Tier

### July

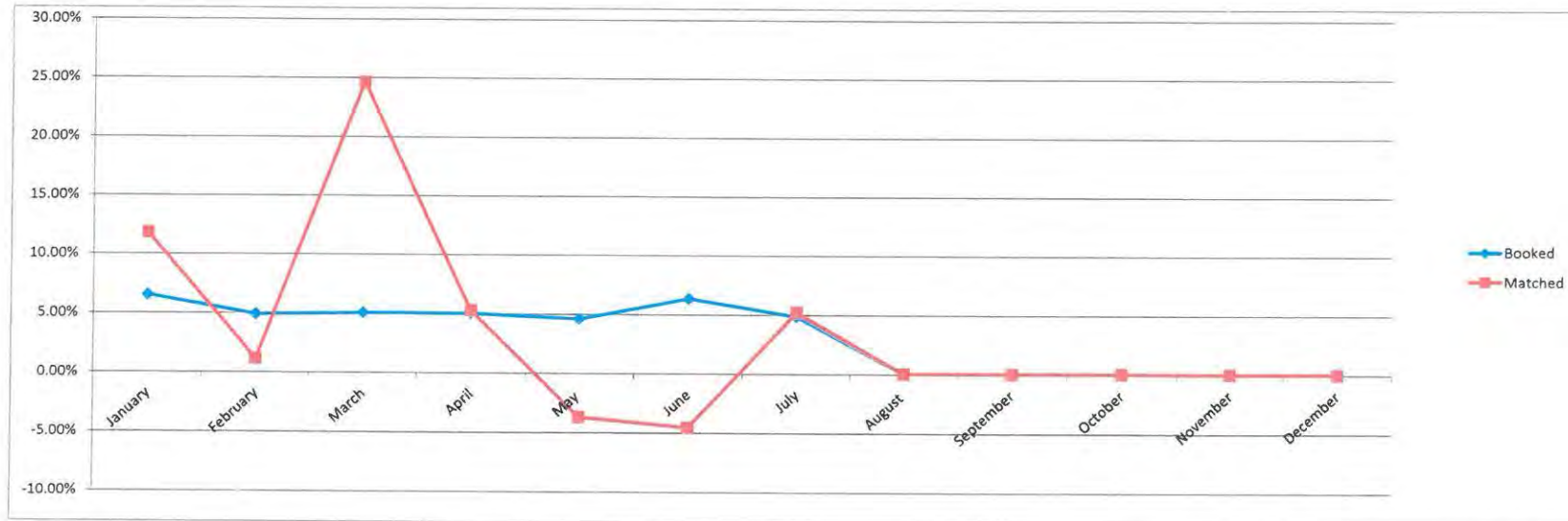
	2018	2017	2017-2015
Revenue	(2,680,672)	(2,548,401)	(2,752,518)
Purchase Power	1,503,128	1,562,764	1,626,645
<i>Gross Margins</i>	(1,177,544)	(985,637)	(1,125,873)
Operating Expenses	1,109,213	1,115,309	1,124,461
Margins	(72,750)	123,799	(4,762)
OTIER	1.76	(0.45)	1.12

### Year to Date

	2018	2017	2017-2015
Revenue	(18,978,494)	(16,671,285)	(17,733,758)
Purchase Power	10,939,062	9,897,429	10,618,150
<i>Gross Margins</i>	(8,039,432)	(6,773,856)	(7,115,608)
Operating Expenses	7,800,346	7,479,807	7,466,919
Margins	(339,752)	596,591	196,215
OTIER	1.52	-0.07	0.64



2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00						
<b>2017</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						
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00						160,372,813.00
<b>2017</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>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	0.00	0.00	0.00	0.00	0.00	8,668,125.00
<b>2017</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	1,212,187.00	0.00	0.00	0.00	0.00	0.00	9,093,912.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.40%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	5.18%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.67%





2018 July Bill			
	Average	HDD	CDD
1-Jul	82	0	17
2-Jul	80	0	15
3-Jul	81	0	16
4-Jul	84	0	19
5-Jul	81	0	16
6-Jul	74	0	9
7-Jul	72	0	7
8-Jul	74	0	9
9-Jul	75	0	10
10-Jul	79	0	14
11-Jul	78	0	13
12-Jul	75	0	10
13-Jul	79	0	14
14-Jul	81	0	16
15-Jul	79	0	14
16-Jul	79	0	14
17-Jul	77	0	12
18-Jul	74	0	9
19-Jul	73	0	8
20-Jul	74	0	9
21-Jul	74	0	9
22-Jul	73	0	8
23-Jul	77	0	12
24-Jul	75	0	10
25-Jul	77	0	12
26-Jul	76	0	11
27-Jul	74	0	9
28-Jul	70	0	5
29-Jul	72	0	7
30-Jul	76	0	11
31-Jul	73	0	8
	76.4	0	353

353

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

359

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

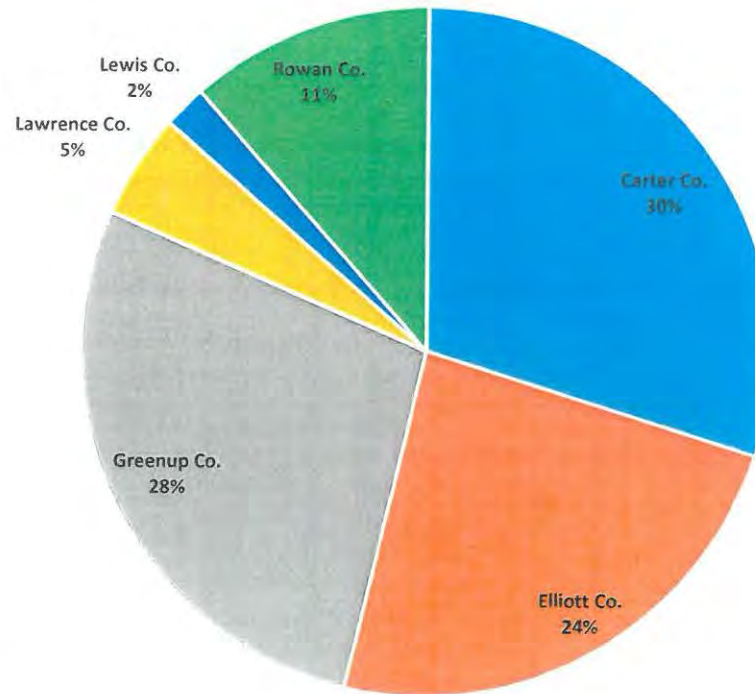
286



**Bills by County**

	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17	Jul-17
Carter Co.	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572		4,607	4,584
Elliott Co.	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662		3,686	3,666
Greenup Co.	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319		4,368	4,357
Lawrence Co.	761	763	761	766	768	768	774	780	785	774		782	773
Lewis Co.	314	315	311	316	310	317	313	316	312	316		313	315
Rowan Co.	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770		1,771	1,763
	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527	15,458

**# of Bills  
July 2018**







Carter Co.



Elliott Co.

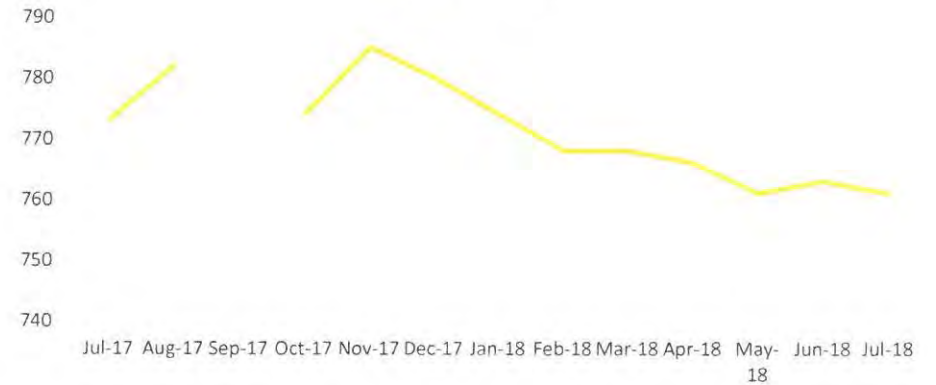
2018 Board Materials  
675 of 882



Greenup Co.



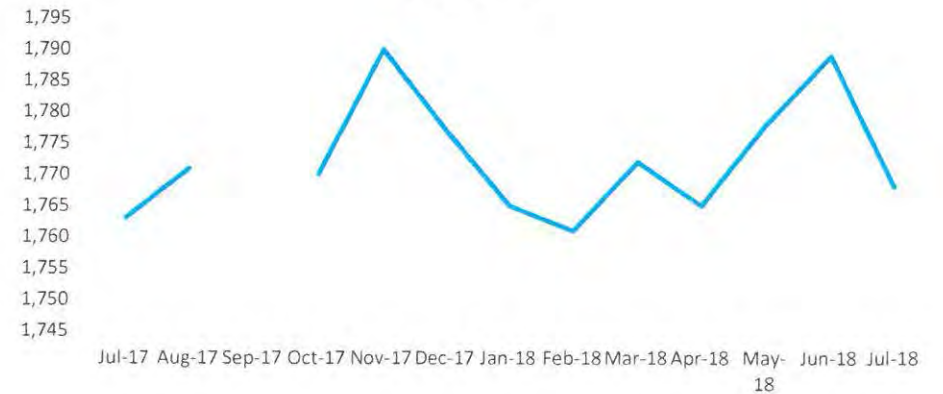
Lawrence Co.



Lewis Co.



Rowan Co.





**JULY 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		18		635.40	(635.40)	
100	NEW LINE EXTENSIONS		23		73,731.37	73,731.37	3,205.71
200	TIE LINES						
300	MAJOR PROJECTS		2		553,790.98	553,790.98	
602	SERVICE UPGRADES		3		10,381.96	10,381.96	3,460.65
603	SECTIONALIZERS		8		21,431.98	21,431.98	
604	REGULATORS						
606	POLES	***	33	POLES	161,317.21	161,317.21	4,888.40
701	SECURITY LIGHTS		36		23,096.02	23,096.02	641.56
1600	MINOR PROJECTS		3		10,168.65	10,168.65	
	TOTAL		128		<b>854,553.57</b>	<b>853,282.77</b>	
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	27		26,526.81	26,526.81	982.47
	METERS	370.00	0		0.00	0.00	0.00
	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	45		58,515.05	58,515.05	1,300.33
	TOTAL		72		<b>85,041.86</b>	<b>85,041.86</b>	
	MATERIAL				<b>37,337.88</b>		
	MATERIAL OH				<b>41,451.10</b>		
	LABOR				<b>32,714.84</b>		
	LABOR OH				<b>62,495.97</b>		
	*** This pole total does not include the poles that were completed on the 6 different Rt. 7 State Jobs. There were a total of 103 poles on the work orders that were paid for by the KY Department of Hwys.						



## REVENUE SUMMARY JULY 2018

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 316,973.35	\$ (13,732.65)	\$ 5,511.71	\$ 13.75	\$ 2,787.47	\$ 27,045.04	\$ 338,598.67	\$ 8,126.13	\$ 9.82	\$ 7,332.74	2,475	2,665,937
\$ 355,591.12	\$ (13,163.98)	\$ 10,385.34	\$ 24.75	\$ 1,219.60	\$ 31,076.12	\$ 385,132.95	\$ 6,261.18	\$ -	\$ 7,934.14	2,910	2,992,685
\$ 74,028.71	\$ (3,244.59)	\$ 1,477.55	\$ 5.50	\$ 685.77	\$ 6,326.12	\$ 79,279.06	\$ 1,611.41	\$ -	\$ 1,719.53	642	618,556
\$ 953,526.93	\$ (36,055.19)	\$ 18,305.87	\$ 74.25	\$ 3,078.77	\$ 82,427.80	\$ 1,021,358.43	\$ 17,712.84	\$ 28.11	\$ 21,233.79	5,838	8,231,036
\$ 65.91	\$ (47.39)	\$ 1,400.88	\$ 2.75	\$ 10.33	\$ 124.97	\$ 1,557.45	\$ 14.88	\$ 3.18	\$ 38.66	106	10,950
<b>\$ 1,700,186.02</b>	<b>\$ (66,243.80)</b>	<b>\$ 37,081.35</b>	<b>\$ 121.00</b>	<b>\$ 7,781.94</b>	<b>\$ 147,000.05</b>	<b>\$ 1,825,926.56</b>	<b>\$ 33,726.44</b>	<b>\$ 41.11</b>	<b>\$ 38,258.86</b>	<b>11,971</b>	<b>14,519,164</b>
\$ 19,934.31	\$ (386.10)	\$ 451.20	\$ -	\$ -	\$ 1,767.98	\$ 21,767.39	\$ 271.26	\$ 13.21	\$ 293.50	341	99,187
\$ 25,789.85	\$ (583.23)	\$ 292.95	\$ -	\$ 61.98	\$ 2,250.34	\$ 27,811.89	\$ 658.18	\$ 2.68	\$ 265.76	370	139,651
\$ 20,550.22	\$ (353.14)	\$ 702.97	\$ -	\$ 30.99	\$ 1,845.36	\$ 22,776.40	\$ 449.48	\$ 2.83	\$ 380.30	456	85,122
\$ 46,703.47	\$ (884.15)	\$ 1,054.47	\$ -	\$ 58.39	\$ 4,140.76	\$ 51,072.94	\$ 685.64	\$ 212.09	\$ 1,177.17	868	220,525
\$ 8,628.15	\$ (180.34)	\$ 203.62	\$ -	\$ 30.99	\$ 763.72	\$ 9,446.14	\$ 259.33	\$ 36.89	\$ 152.71	141	44,382
\$ 796.14	\$ (9.84)	\$ 39.09	\$ -	\$ -	\$ 72.97	\$ 898.36	\$ 14.95	\$ -	\$ 22.14	24	2,529
\$ 1,477.19	\$ (37.95)	\$ 57.88	\$ -	\$ 10.33	\$ 131.31	\$ 1,638.76	\$ 21.55	\$ -	\$ 35.64	35	6,164
<b>\$ 123,879.33</b>	<b>\$ (2,434.75)</b>	<b>\$ 2,802.18</b>	<b>\$ -</b>	<b>\$ 192.68</b>	<b>\$ 10,972.44</b>	<b>\$ 135,411.88</b>	<b>\$ 2,360.39</b>	<b>\$ 267.70</b>	<b>\$ 2,327.22</b>	<b>2,235</b>	<b>597,560</b>
\$ 162,053.95	\$ (5,186.90)	\$ 3,567.43	\$ 5.50	\$ -	\$ 14,182.21	\$ 174,622.19	\$ 2,439.56	\$ 7,772.97	\$ 4,236.25	953	1,332,098
\$ -	\$ (7.88)	\$ 293.05	\$ -	\$ -	\$ 25.20	\$ 310.37	\$ 7.56	\$ 15.12	\$ 8.97	9	2,026
\$ 16,745.02	\$ (506.76)	\$ 1,580.73	\$ -	\$ -	\$ 1,575.13	\$ 19,394.12	\$ 10.14	\$ 352.72	\$ 414.12	156	130,183
<b>\$ 178,798.97</b>	<b>\$ (5,701.54)</b>	<b>\$ 5,441.21</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 15,782.54</b>	<b>\$ 194,326.68</b>	<b>\$ 2,457.26</b>	<b>\$ 8,140.81</b>	<b>\$ 4,659.34</b>	<b>1,118</b>	<b>1,464,307</b>
\$ 219,246.05	\$ (9,297.84)	\$ 988.49	\$ -	\$ -	\$ 18,646.79	\$ 229,583.49	\$ 1,266.39	\$ 7,929.33	\$ 5,684.15	69	2,387,736
\$ 166.11	\$ (4.05)	\$ -	\$ -	\$ -	\$ 14.33	\$ 176.39	\$ 17.63	\$ 10.58	\$ -	1	840
\$ 28,787.14	\$ (1,252.54)	\$ 476.00	\$ -	\$ -	\$ 2,476.13	\$ 30,486.73	\$ -	\$ -	\$ 914.60	8	321,661
<b>\$ 248,199.30</b>	<b>\$ (10,554.43)</b>	<b>\$ 1,464.49</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,137.25</b>	<b>\$ 260,246.61</b>	<b>\$ 1,284.02</b>	<b>\$ 7,939.91</b>	<b>\$ 6,598.75</b>	<b>78</b>	<b>2,710,237</b>
\$ 170,979.04	\$ (11,196.98)	\$ 28.94	\$ -	\$ -	\$ 14,127.29	\$ 173,938.29	\$ -	\$ 7,043.01	\$ 5,218.15	2	2,875,447
<b>\$ 170,979.04</b>	<b>\$ (11,196.98)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,127.29</b>	<b>\$ 173,938.29</b>	<b>\$ -</b>	<b>\$ 7,043.01</b>	<b>\$ 5,218.15</b>	<b>2</b>	<b>2,875,447</b>
\$ -	\$ (14.98)	\$ 599.15	\$ -	\$ -	\$ 51.64	\$ 635.81	\$ -	\$ -	\$ 19.07	1	3,846
<b>\$ -</b>	<b>\$ (14.98)</b>	<b>\$ 599.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51.64</b>	<b>\$ 635.81</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19.07</b>	<b>1</b>	<b>3,846</b>
<b>\$ 2,422,042.66</b>	<b>\$ (96,146.48)</b>	<b>\$ 47,417.32</b>	<b>\$ 126.50</b>	<b>\$ 7,974.62</b>	<b>\$ 209,071.21</b>	<b>\$ 2,590,485.83</b>	<b>\$ 39,828.11</b>	<b>\$ 23,432.54</b>	<b>\$ 57,081.39</b>	<b>15,405</b>	<b>22,170,561</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 80,513.93</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,710,827.87</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

October 18, 2018

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 October 2018 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

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

October 18, 2018

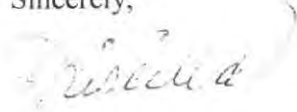
W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, October 26, 2018 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  
BOARD MEETING AGENDA

On October 26, 2018, 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. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for August 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Rate Case Update
9. Cooperative Legal Matters – W. Jeffrey Scott
10. Manager of Technical Services Report – Brian Poling
11. Manager of Marketing & Member Services Report – Kim Bush
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of Eighty-Eight (88) New Memberships and Retirement of Ninety-Two (92) Existing Memberships for September 2018
14. Consider Approval of Accounts to be Charged Off to Reserve \$2,245.96
15. Consider Approval of President's Business Expense in the Amount of \$40.00, Director's Business Expense in the Amount of \$9,239.33 and Attorney's Business Expense in the Amount of \$.00
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Meetings Held
19. Confirm Date for the November Board Meeting – Friday, November 16, 2018
20. Additional Business
21. Adjourn





The Employee Kitty Fund shall support employee activities such as picnics, outings, flowers, Christmas or any other appropriate group employee function.

RESPONSIBILITY: The President and CEO and Executive Assistant shall be responsible for flowers and cards. The employee committee shall be involved in all group activities.

PROCEDURE: As Outlined Above

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

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

Date Adopted: 05/26/89  
Minute Book Page: 1844  
Date Revised: 11/20/92  
Minute Book Page: 2207-2208  
Date Reviewed: 01/24/97  
Minute Book Page: 2867  
Date Revised: 02/26/04  
Minute Book Page: 3588  
Date Amended: 06/26/09  
Minute Book Page: 4224  
Date Reaffirmed: 04/19/10  
Minute Book Page: 4313  
Date Revised: 09/28/18  
Minute Book Page: \_\_\_\_\_

PRESIDENT'S REPORT

President Fraley reported on the following:

RONNIE JAMES

President Fraley presented a check from Ronnie James to Legal Counsel Scott, as Legal Counsel had not heard from Attorney Derick Willis who represented Mr. James. The check will be returned to Mr. Willis.

RICHARD EASTON

Richard Easton was featured in an article in the October issue of the Kentucky Living magazine.

PROPOSED RATES

President Fraley's Manager's column for October was in the mail today. It is also running as a legal ad in all area papers, as required by the Kentucky PSC. No comments have been received.

CFC

We received a certificate from CFC's fiscal year 2018 for patronage capital in the amount \$35,086.82 and retirement of \$17,543.41. No check was received.

Director Whitt said last month CFC said they would give a check to each Coop for community programs and inquired whether we received one. We did not.

UUS PATRONAGE

We received patronage dividend allocations of 20% in the amount of \$210.00.

CRC

We received a patronage allocation from CRC for fiscal year 2017 in the amount of \$1,226 with a check for the pro-rata portion of \$245.00. The current balance is \$8,219.80

SAFETY IMPROVEMENT

President Fraley read the Coop's goals for safety improvement:

SAFETY IMPROVEMENT  
(CONTINUED)

SAFETY IMPROVEMENT PLAN  
FOR 2018

Expectations and Accountability for Safety

Our goal is to make our standards for safety even higher than they are. We start with our new employees and apprentice linemen to make sure that safety is ingrained in their personal and work cultures. Safety starts with our Board and includes our employees, members and the general public.

I. Organization of Safety Culture

One of our most difficult tasks is to keep safety fresh and up front with our employees. We try to include a safety lesson or message in everything we do.

2. Employee Involvement Participation

It must be understood that all employees, management and Directors are responsible for safety. They are also responsible for bringing issues to Management's attention, to carry the safety initiative through all aspects of their work and personal life, and to abide by the decisions and rules of the Cooperative and other organizations recognized by them.

Chairman Dupuy stated he would present the first safety meeting in January to address safety.

CORRAL PARK

President Fraley met with Jeff Wentz and Jeff Metcalfe recently in regard to issues at Corral Park. Those issues included what they considered damage to blacktop, a request for all security lights to be changed to LED immediately, and some tracks in Mr. Wentz's yard. They also asked for help in encouraging the telephone and cable companies to move their lines to our new poles. We explained that process and said that we would notify both companies, although they are already aware of it.

INSURANCE CLAIM

Felicia Elliott alleges that Steve Bush hit her pit bull in her driveway. She had been disconnected for nonpayment. After she paid, her remote meter did not respond to the reconnect command. Mr. Bush went to see what was wrong and said the dogs came running toward his truck from the house. She is requesting Grayson to pay the veterinary bill. Legal Counsel Scott said to file it with the insurance.

RATE CASE UPDATE

Andrea and Bradley have spent a lot of time of the rate case. The PSC sent us 59 questions to answer as soon as we sent a letter of our intention to file. Alan Zumstein and Jim Adkins will assist in answering these questions.

SUCCESSION PLANNING

President Fraley told the Board it was time to begin succession planning, due to the high number of our work force that is either eligible or will be eligible for retirement. We will need to hire people in time to learn certain jobs. Some will take longer than others. Tina and Kim are doing a good job sharing Julie's work and Sherry Conley is working hard to help strengthen the path between Member Services and Billing.

KAEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting this month.

COBANK	Cobank's Luke Gaines presented KAEC with a \$5,000.00 check. He also said that Co Bank is offering a program called "Sharing Success Program" that Cooperatives can apply to for matched funds for charitable projects.
KAEC FINANCIAL	The year to date consolidated margins were reviewed, and there has been an improvement versus the prior year of \$534K. Product Sales have increased by \$3.4M versus the prior year resulting in \$364K of product gross margin. Capital credits were discussed, KAEC had taxable net income in 2017 of \$2.8M including the gain on the sale of the building and ERMCO Capital Credits. However, over the years, KAEC had accumulated \$3.8M of net operating loss carried forward and used \$2.8M to reduce taxable Income to \$0.
TRANSFORMERS	There are currently 305 KAEC transformers and 217 ERMCO transformers that cannot be sold. The goal is to move obsolete and slow-moving material out of inventory.
PSC MEETING	Chris Perry gave an update on recent meetings with the PSC regarding streamlining rate cases. Future meetings will be held on September 28 <sup>th</sup> and October 5 <sup>th</sup> . He also discussed the PSC meeting that was held on August 21st to discuss the Commission plans mitigate staffing shortages. The PSC would like the Cooperatives to assist them in their efforts to lobby the 2019 Legislature to stop taking money from the dues we pay to the PSC. The state adds those funds to the general fund. In return, the PSC would look at ways to streamline ratemaking processes.
EKPC DIRECTOR	Director Arrington reported on the following at the East Kentucky Power Cooperative Board Meeting.
NUCOR STEELE	NUCOR plans to double their plant size and number of employees next year. They are members of Owen Electric Cooperative.
MENTORING	East Kentucky is doing a mentoring program in January for new directors coming into the program. Their philosophy is that Directors are only responsible for decisions affecting East Kentucky Power and owe no fiduciary responsibility to their local cooperatives. President Fraley stated that at the Governance Meeting, Roger Cowden compared coops to a condominium Home Owners board, and she told him that decisions made at East Kentucky Power affected over 500,000 members of local Cooperatives, and that this was no comparison. Legal Counsel Scott, President Fraley and the Board discussed this issue at length.
FINANCIAL & STATISTIC REPORT FOR JULY 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for July 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of July were 3.66% over budget. Purchases for the month of June were .24 % over budget. Line loss for the last twelve months was 5.4%. Year-to-date margins were \$339,892 compared to the budgeted amount of (\$381,112).
FUEL ADJUSTMENT	The fuel adjustment for July was 0.002181.
ESC	The environmental surcharge was 8.78%.
DEGREE DAYS	There were 353 cooling degree days and 0 heating degree days.



T.I.E.R. July 2018's monthly O.T.I.E.R. was 1.76 with the rolling 12 month O.T.I.E.R. at (.03).

BILLS We mailed 15,405 bills for the month of July. Carter County makes up 30% of our bills, Greenup County 28%, Elliott County 24%, Rowan County 11%, Lawrence County 5% and Lewis County 2%.

RATE CASE UPDATE Bradley said we would send answers to our first set of questions next week on Rate Case 2018-00272.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JULY 2018 Motion was made by Director Whitt, seconded by Director Bentley and unanimously agreed to approve the Financial and Statistical report for July 2018 as presented, for informational purposes only.

RUS WORK ORDERS Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the following 219 RUS Work Orders for the months of April, May and June 2018 in the amount of \$605,048.52:

April 2018	Work Order No. 1290	\$164,403.75
	Work Order No. 1291	\$ 3,189.39
May 2018	Work Order No. 1292	\$195,265.65
	Work Order No. 1293	\$ 12,678.04
June 2018	Work Order No. 1294	\$215,147.59
	Work Order No. 1295	<u>\$ 14,364.10</u>
	Total	\$605,048.52

LEGAL COUNSEL Legal Counsel Scott reported on the following:

RIGHT-OF WAY EASEMENTS One hundred ninety-three right-of-way easements were recorded in the following counties:

93 Elliott; 3 Lawrence; 40 Greenup; 31 Rowan; 17 Carter; and 9 in Lewis.

He has been working on right-of-way easement memos.

MOU AND AMENDMENT 3 Due to the ruling of the Public Service Commission in the South Kentucky RECC Case, MOU and Amendment 3 have been cancelled.

Any appeal to this ruling would have to be filed in Franklin Circuit Court.

MANAGER OF TECHNICAL SERVICES Andrea McCleese, Assistant Manager of Technical Services reported on the following:

AMI RF Our AMI RF conversion project is underway. Stuart Irby, Steve Bush and Brian have created a complete catalog list of all the meters needed and all of them will be programed. The first order was placed this week for meters and networking equipment.

LANDIS+GYR Landis+Gyr has also assigned us a project manager. We will have a kick-off meeting in 4-6 weeks. The Project Manager will assist us in the analysis of communication paths for each of the collector sites.

IPADS – FIELDPRO The men in the field like the FieldPro application that gives them regular updates of the maps. Robert has training sessions after safety meeting on alternating weeks.

MILSOFT A Milsoft trainer has been with us the past three days teaching us how to better use the outage software upgrades. There have been several software updates that added to the functionality

DRONE We have purchased our first drone this week. Robert Brown and Tony Brewer gave a good demonstration on the use of drones at our Safety Meeting on Monday. We think there are going to be many opportunities to use the drones.

MANAGER OF MARKETING AND MEMBER SERVICES Kim Bush, Manager of Marketing and Member Services reported on the following.

PREPAY 780 Active PrePay Accounts 10 Inactive Accounts  
Average Balance on accounts--\$38.66 credit  
Average kwh Usage - 36 a day Total # of Payments in 30 days - 3,723  
Average Payment - \$32.49 Total Payment Amount - \$120,960.91

DEBT MANAGEMENT We have 67 active accounts with debt management.  
The total amount in Debt Management is \$17,351.15

ENERGY VISITS Tina has made the following home visits:  
  
Energy Audits=5 TSE Home=1 CARES=2  
Button-Up=1 Billing Insights=2

ENERGY STAR REBATES The following Energy Star appliance rebates were filed:  
  
Clothes Washer=5 Dishwasher=3 Refrigerator=2  
Freezer=11 Freezer= 1 ES Heat Pump=1  
ES Central Air Conditioner=1

SOLAR The solar update given was:  
  
Cooperative Solar inquires=2 Cooperative Solar Sales=0  
Cooperative Solar Total=97 panels Total Net Metering Accounts=5  
Net Metering Inquires=3  
  
We received a credit of \$183 from solar.

PROGRAMS We sponsored Kids in the Races at the Greenup County Fair.

ANNOUNCEMENTS October 1 & 2 – Electrical Safety Demonstrations at the Carter County Conservation Field Days at Camp Webb for all 4<sup>th</sup> grade students in Carter County – Robert & Tina and Chris & Nancy  
October 8 – Cleaning Day, Office Closed and Brownstown will be frying fish  
October 9 – Grayson Chamber of Commerce meets at GRECC at noon. Kevin Osborn will be bringing the hybrid car and will be talking about electric cars.  
6:00 p.m. – First Responders Safety Training – all counties are invited. Dinner provided by GRECC.  
December 14 - Service Awards Dinner

HONOR FLIGHT	Delmaine Skaggs of Sandy Hook and Billy Messer of Greenup were the Veterans on the Honors Flight to Washington D. C. September 22 <sup>nd</sup> . Robert Brown and Justin Staniford served as Guardians.
FLU SHOTS	Flu shots will be given on October 22 <sup>nd</sup> and the HEP A booster.
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	<p>The following safety meetings were held during July:</p> <p>August 7 – Priscilla Sparks, Executive Assistant, turned the meeting over to Shannon Johnson, Barry Warner and Eddie Fletcher from East Kentucky Power. The Lock Out Tag Out procedures was discussed following by going out for a substation training.</p> <p>August 13 – Robert Brown, Geographical Information System Technician, turned the meeting over to John Janis with PMA/Washington National Insurance. John discussed the policies available to our employees. Certificates of Completion for Accident Investigation and Record Keeping Training were presented to Kyle Clevenger, Priscilla Sparks and Nancy Madden.</p> <p>August 20 – Sherry Buckler, Manager of Accounting &amp; Human Resources, turned the meeting over to Kyle Clevenger who reported to Federated Near Misses incident and discussed what could have been done to prevent each.</p> <p>August 27 – Kim Bush, Manager of Marketing &amp; Member Services, read out of the safety manual on 501 Office Safety, 501.1 General Office Safety and 501.2 Video Display Terminals pages 127 – 128. Kyle Clevenger requested everyone to change out rubber gloves.</p> <p>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.</p>
JOBS BUILT	Construction built one hundred twenty-eight (128) new workorders (including 23 services added and 9 services retired) for the month of July and worked zero (0) hours of overtime.
DELINQUENT NOTICES	There were 203 delinquents for September. Sixty-three (63) cards were issued to be disconnected and 7 accounts were disconnected by remote meter on September 10 for Cycle 1. One hundred fifteen (115) cards were issued to be disconnected and 18 accounts were disconnected by remote meter on September 17 for Cycle 2. Field personnel disconnected a total of 18 meters and a total of 12 meters were reconnected by field personnel and remote.
OVERTIME HOURS	The Maintenance Department worked 496 hours of overtime. The Engineering Department worked 0 hours of overtime.

CONTRACT CREWS

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

Tony Seagraves – Corral Park, Carter County. Corral Park is finished  
Bob Marrow – Coordination’s and Pole Changes in Greenup and Carter Counties

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and workorders at this time. Crew’s trimmed 731 trees, cut 1,038 trees, cut 41,820 feet of brush/line and sprayed 182 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties  
1 cutting crew in Lawrence County  
1 cutting crew 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  
3 spray crews in Greenup County

Smith Tree Service, circuit crew between Isonville and Mazie, Elliott County

ENGINEERING REPORT

The Engineering Department released one hundred sixteen (116) prints consisting of 1,068 feet of primary line and 1,637 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, largely due to the substation readings.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS

Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve ninety-nine (99) new memberships and retirement of seventy-six (76) existing memberships for August 2018.

BAD DEBT WRITE-OFFS

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to charge off \$3,835.48 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 Trent, seconded by Director Bentley and unanimously agreed to approve the President’s business expense of \$223.80, Director’s business expenses of \$8,214.53, and Attorney’s business expense of \$8,692.24.

DONATIONS

We received a thank you from Carter Christian Academy for golf scramble donation; Grayson Area Chamber of Commerce for handmade appreciation cards for our Veterans; and Trinity Christian Fellowship and the Bryce Combs family for first responders and volunteers meals.

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

Grayson Funtoberfest 5K Walk/Run	\$50
Haldeman Community Center	\$100
NEED Workshop – 2 teachers sponsored (Lola Mollett, Blaine Elementary and Julie Reynolds, Ell.Co.HS)	\$500
Lewis County Band Boosters – Lewis Co. Marching Band	\$100

DONATIONS  
(CONTINUED)

Blaine High School Reunion – alumni scholarship fund	\$125
Unity Baptist Church – Blaine Autumn Festival	\$100
Carter City Elementary School – Fall Festival	\$50
Galaxy Project – Monster Dash 5K Kid & Adult Run/Walk	\$50
Vanceburg Lions Club – 8 <sup>th</sup> Annual Heritage Fest	\$100
Greenup County High School After Prom	\$50
Carl McCoy – 201 <sup>st</sup> Engineer Battalion Reunion Fund	\$150
Elliott County Baseball Lockers and Bathrooms	\$500

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

KAEC 2018 RODEO

Kyle reported on our Lineman’s Rodeo Participation:

Mark Hutchinson won second place in the Hurtman Rescue, 1<sup>st</sup> place in the De-Energizing Competition, 2<sup>nd</sup> Place Armor Rod and Tie, and 3<sup>rd</sup> Place Overall, in the Senior Division. Justin Staniford won second place in the Apprentice division.

The final first place winners presented by KAEC were:

- 1<sup>st</sup> place overall senior: Michael Nethery, Shelby Energy
- 1<sup>st</sup> place overall individual journeyman: Tim Hembree, Bluegrass Energy
- 1<sup>st</sup> place overall apprentice: Tommy Parks, Fleming Mason
- 1<sup>st</sup> place overall team: Bluegrass Energy

Next year the Rodeo will be at Nolin RECC.

MEETING ATTENDANCE

The following upcoming meetings were presented for attendance this month.

KAEC Annual Meeting, Louisville, KY, November 19-20, 2018 and Director’s courses will be on November 17<sup>th</sup> and 18<sup>th</sup> with Legal counsel meeting on November 18<sup>th</sup> and 19<sup>th</sup>. Directors attending the meeting are Chairman Dupuy, Directors Whitt, Arrington and Trent. Directors Bentley and Martin may attend. President Fraley and some staff members will attend.

NRECA Directors Winter School in Nashville, TN November 30, 2018 – December 5, 2018. Chairman Dupuy, Directors Whitt and Trent will be attending, and Directors Bentley and Martin will possibly be attending.

BOARD MEETING DATE

The October Board Meeting will be held on Friday, October 26 at 9:00 a.m.

ADDITIONAL BUSINESS

The following future dates were assigned:

- October 8, 2018 – Cleaning Day, office is closed and fish fry at lunch time
- October 9, 2018 noon – Grayson Chamber of Commerce meeting at GRECC
- October 9, 2018 6:00 p.m. – KAEC First Responder meeting at GRECC
- October 22, 2018 7:30 a.m. – flu shots and Hepatitis A
- November 18-20, 2018 – KAEC Annual Meeting
- November 22-23, 2018 – Thanksgiving Holiday, office is closed
- November 26, 2018 9:00 a.m. – Grayson RECC Board Meeting
- December 5, 2018 7:30 a.m. – ROW Breakfast at Grayson Bowling Alley
- December 10, 2018 9:00 a.m. – Planning and Review Committee
- December 14, 2018 6:00 p.m. – Christmas social hour followed by dinner
- December 20, 2018 9:00 a.m. – Grayson RECC Board Meeting

ADDITIONAL BUSINESS  
(CONTINUED)

December 21, 2018 Office closes at 10 for Employee Gift Exchange  
December 24 & 25, 2018 – Christmas Holiday – Office closed

ADJOURN

Chairman Dupuy adjourned the meeting at 12:55 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 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
08/30/18	175272	*Sam's Club – membership renewal	\$40.00
		Total Expenses	\$40.00

\*Prorated



**DIRECTORS & ATTORNEY EXPENSES**

**August-18**

**KENNETH ARRINGTON**

<b>Per Diem</b> - GRECC Bd. Mtg. (8/24)	\$ 343.60
<b>MISC</b> - Rice Retirement Dinner	2.30
<b>VISA</b> -	-
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	0.49
<b>TOTAL</b> -	<u>\$ 984.02</u>

**JIM BENTLEY**

<b>Per Diem</b> - GRECC Bd. Mtg. (8/24)	\$ 301.09
<b>MISC</b> -	-
<b>VISA</b> -	-
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	1.08
<b>TOTAL</b>	<u>\$ 939.80</u>

**HAROLD DUPUY**

<b>Per Diem</b> - GRECC Bd. Mtg. (8/24)	\$ 332.70
<b>MISC</b> - Rice Retirement Dinner	2.31
<b>VISA</b> -	-
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	0.70
<b>TOTAL</b> -	<u>\$ 973.34</u>

**EDDIE MARTN**

<b>Per Diem</b> GRECC Bd. Mtg. (8/24)	\$ 308.72
<b>MISC</b> - Rice Retirement Dinner	2.31
<b>VISA</b> -	-
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	1.08
<b>TOTAL</b> -	<u>\$ 949.74</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (8/24)	\$ 338.15
<b>MISC</b>	- Rice Retirement Dinner	2.30
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 978.57</u>

**JIMMY WHITT**

<b>Per Diem</b>	NRECA DIRECTOR SUMMER SCHOOL (7/26-30); GRECC Bd. Mtg. (8/24)	\$ 2,493.24
<b>MISC</b>	- Rice Retirement Dinner	2.31
<b>VISA</b>	- NRECA DIRECTOR SUMMER SCHOOL	1,279.60
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 4,413.86</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>Excess Hrs</b>	-	-
<b>Out-of-Pocket</b>	-	-
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ -</u>





























# Grayson Rural Electric Financial Report

October 26, 2018

## At A Glance....

August

<u>kWh Sales (8/01 - 8/31)</u>		<u>Margins</u>	
Month	1.17%	Month \$	227,575.48
YTD	6.67%	YTD \$	567,467.43
<u>kWh Purchases (8/01 - 8/31)</u>		<u>OTIER</u>	
Month	2.17%	Month	3.30
YTD	6.59%	YTD	1.75
<u>Line Loss</u>			
Month	5.28%		
YTD	5.39%		

Fuel Adjustment 0.000458

ESC 7.27%

Degree Days 338

Heating Degree Days 0

Cooling Degree Days 338

### Notes:

- Capital Credits
- Rate Case Update 2018-00272



**Sales**

**August**

	2018	2017	2017-2015
Actual	21,279,777	17,894,915	19,237,773
Budget	21,033,254		
Difference	246,523 1.17%	3,384,862 18.92%	2,042,004 10.61%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	172,984,465	151,787,532	161,582,289
Budget	162,179,371		
Difference	10,805,094	21,196,933	11,402,176
% Difference	6.66%	13.96%	7.06%



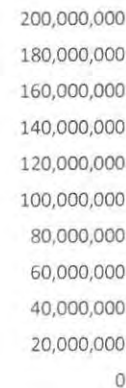
**Sales**

Actual Budget 2017

**Purchases**

**August**

	2018	2017	2017-2015
Actual	22,466,204	20,921,575	22,178,804
Budget	21,988,181		
Difference	478,023 2.17%	1,544,629 7.38%	287,400 1.30%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	182,839,017	165,397,176	176,600,819
Budget	171,536,320		
Difference	11,302,697	17,441,841	6,238,198
% Difference	6.59%	10.55%	3.53%



**Purchases**

Actual Budget 2017



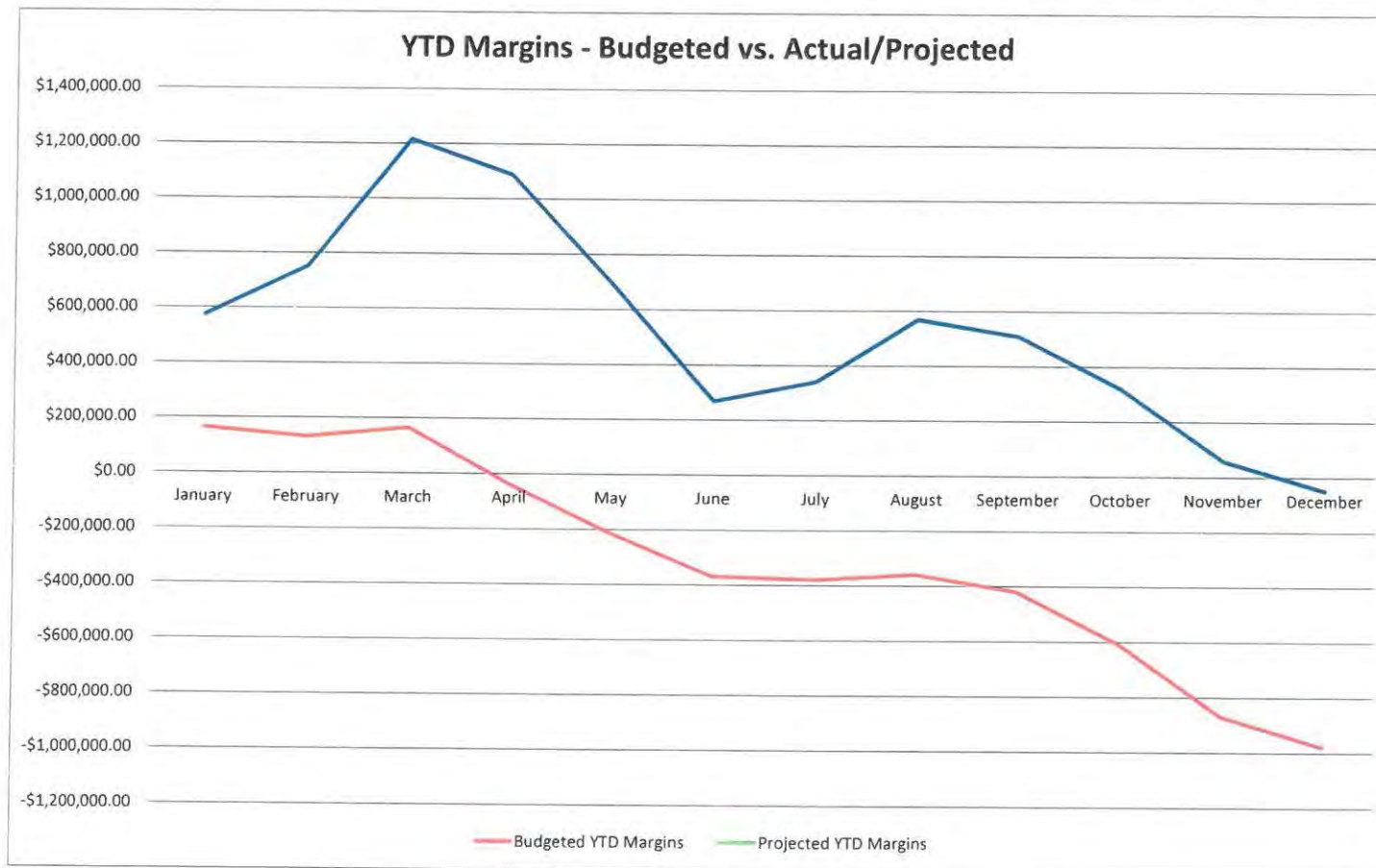


Monthly Operating Revenue & Expenses

	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018
Revenue	(2,238,839)	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)
Purchased Power	1,462,002	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429
<b>Gross Margins</b>	<b>(776,837)</b>	<b>320,431</b>	<b>(757,036)</b>	<b>(962,613)</b>	<b>(1,359,628)</b>	<b>(1,665,170)</b>	<b>(1,215,683)</b>	<b>(1,508,680)</b>	<b>(996,113)</b>	<b>(805,628)</b>	<b>(670,613)</b>	<b>(1,177,544)</b>	<b>(1,274,216)</b>
Operations	104,155	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351
Maintenance	250,089	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925
Customer Service	91,671	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830
Informational Advertising	18,832	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053
Demonstration Advertising	1,874	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773
Admin & General	160,727	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504
Depreciation	287,738	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217
Regulatory	4,022	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559
Interest - LTD	85,676	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872
Interest - Deposits	670	671	668	664	593	1,408	1,396	1,392	1,391	1,394	1,445	1,423	1,414
Miscellaneous Expense	3,960	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937
Interest Income	(2,526)	(2,514)	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,468)	(2,455)	(2,459)	(2,472)
Non-Electric Revenue	(23,477)	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)
Capital Credits	-	(33,801)	-	-	-	-	(2,354)	(68,289)	-	-	-	-	(35,087)
<b>Margins</b>	<b>206,575</b>	<b>1,292,347</b>	<b>306,529</b>	<b>68,841</b>	<b>(422,400)</b>	<b>(573,185)</b>	<b>(177,210)</b>	<b>(463,971)</b>	<b>128,463</b>	<b>394,450</b>	<b>424,432</b>	<b>(72,780)</b>	<b>(227,575)</b>
* ( )'s = positive margins													
Operating Expenses	1,009,414	1,038,993	1,068,254	1,034,099	943,985	1,092,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,889	1,109,213	1,106,436
Monthly OTIER	(1.41)	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.38	(0.15)	(3.18)	(3.49)	1.76	3.30
Revenue	(29,045,100)	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(29,886,584)	(30,185,783)	(30,045,070)	(29,636,079)	(29,768,351)	(30,237,157)
Purchased Power	17,035,038	16,790,322	16,945,189	17,085,873	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,863
<b>Gross Margins</b>	<b>(12,010,062)</b>	<b>(11,013,372)</b>	<b>(10,757,449)</b>	<b>(10,218,470)</b>	<b>(10,309,539)</b>	<b>(10,979,089)</b>	<b>(11,141,818)</b>	<b>(12,038,492)</b>	<b>(12,184,183)</b>	<b>(11,898,736)</b>	<b>(11,383,207)</b>	<b>(11,575,115)</b>	<b>(12,072,494)</b>
Operations	1,325,602	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,602	1,369,607	1,340,835	1,371,826	1,397,164	1,388,355	1,382,551
Maintenance	3,350,086	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487	3,359,363	3,330,357	3,375,194
Customer Service	1,044,158	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,093,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060
Informational Advertising	254,579	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,198	229,033	225,044	224,265
Demonstration Advertising	22,125	20,832	20,862	21,026	22,103	21,796	22,039	21,526	21,469	21,415	21,626	21,189	21,089
Admin & General	1,952,168	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990
Depreciation	3,432,603	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711
Regulatory	42,382	43,062	43,743	42,410	41,074	41,108	41,142	41,176	41,210	41,244	39,781	38,318	36,855
Interest - LTD	931,245	940,516	948,755	957,790	980,167	982,553	996,207	1,010,095	1,041,614	1,056,893	1,071,890	1,081,503	1,094,698
Interest - Deposits	6,845	7,138	7,431	7,717	7,941	8,683	9,414	10,143	10,869	11,586	12,360	13,115	13,859
Miscellaneous Expense	43,315	41,829	34,447	33,456	35,148	35,746	39,893	48,372	53,634	59,349	59,248	63,865	73,842
Interest Income	(33,688)	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)
Non-Electric Revenue	(73,884)	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(88,429)	(86,429)	(81,682)	(76,841)	(75,137)	(73,657)	(72,518)
Capital Credits	(62,937)	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)
<b>Margins</b>	<b>224,535</b>	<b>1,208,983</b>	<b>1,525,239</b>	<b>2,094,417</b>	<b>2,048,484</b>	<b>1,381,829</b>	<b>1,277,615</b>	<b>411,413</b>	<b>396,266</b>	<b>782,405</b>	<b>1,308,690</b>	<b>1,112,141</b>	<b>677,991</b>
Operating Expense	12,405,106	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,082	12,992,115
Rolling 12 Month OTIER	0.76	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)	0.38



	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	\$0.00	-\$60,686.77			-\$421,672.93		\$506,780.66
October	\$0.00	-\$189,227.77			-\$610,900.70		\$317,552.89
November	\$0.00	-\$260,909.77			-\$871,810.47		\$56,643.12
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$50,723.29





## Margins/Tier

### August

	2018	2017	2017-2015
Revenue	(2,707,645)	(2,238,839)	(2,419,049)
Purchase Power	1,433,429	1,462,002	1,546,301
<i>Gross Margins</i>	(1,274,216)	(776,837)	(872,747)
Operating Expenses	1,106,436	1,009,414	998,362
Margins	(227,575)	206,575	108,950
OTIER	3.30	(1.41)	(0.34)

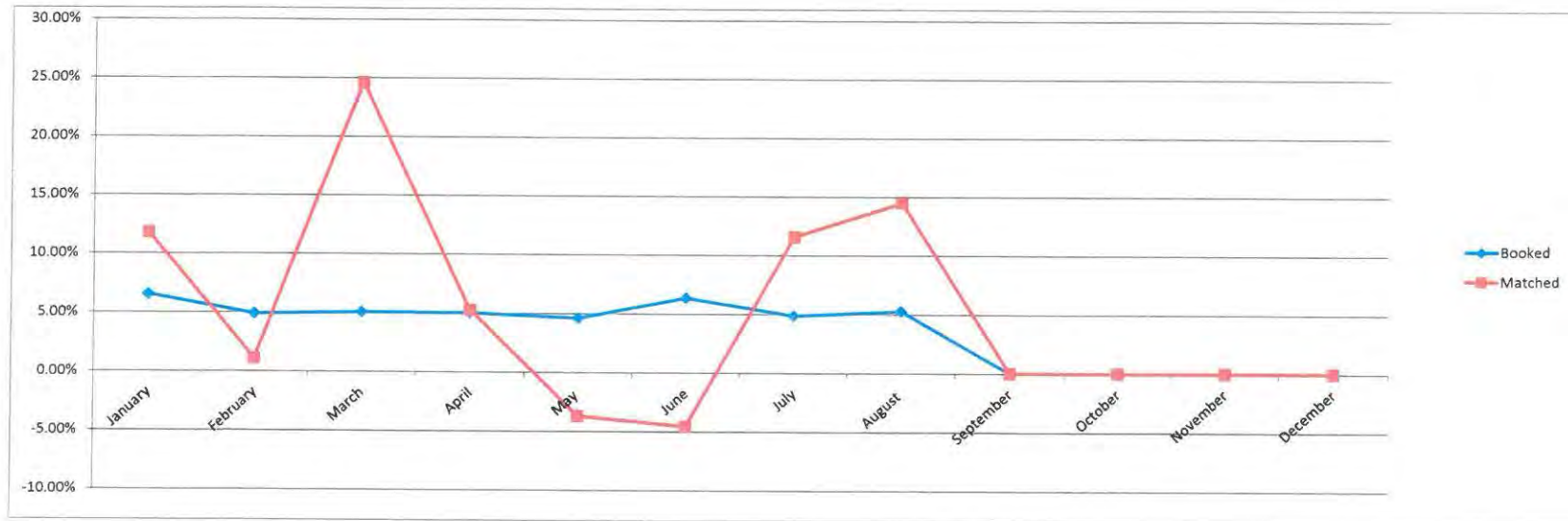
### Year to Date

	2018	2017	2017-2015
Revenue	(21,686,138)	(18,910,124)	(20,152,807)
Purchase Power	12,372,491	11,359,431	12,164,451
<i>Gross Margins</i>	(9,313,647)	(7,550,693)	(7,988,356)
Operating Expenses	8,906,782	8,489,221	8,465,282
Margins	(567,328)	803,166	305,165
OTIER	1.75	-0.25	0.51





	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>2018</b>													
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00					
<b>2017</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					
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00					182,839,017.00
<b>2017</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>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	0.00	0.00	0.00	0.00	9,854,552.00
<b>2017</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>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.39%
<b>2017</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!	7.44%







**2018**  
**August Bill**

	Average	HDD	CDD
1-Aug	71	0	6
2-Aug	75	0	10
3-Aug	79	0	14
4-Aug	77	0	12
5-Aug	79	0	14
6-Aug	79	0	14
7-Aug	80	0	15
8-Aug	78	0	13
9-Aug	78	0	13
10-Aug	75	0	10
11-Aug	75	0	10
12-Aug	77	0	12
13-Aug	73	0	8
14-Aug	74	0	9
15-Aug	75	0	10
16-Aug	75	0	10
17-Aug	77	0	12
18-Aug	74	0	9
19-Aug	75	0	10
20-Aug	77	0	12
21-Aug	75	0	10
22-Aug	69	0	4
23-Aug	66	0	1
24-Aug	68	0	3
25-Aug	72	0	7
26-Aug	80	0	15
27-Aug	82	0	17
28-Aug	81	0	16
29-Aug	80	0	15
30-Aug	78	0	13
31-Aug	79	0	14
	75.9	0	338

338

**2017**  
**August Corresponding Dates**

HDD	CDD	Average
0	9	74
0	10	75
0	10	75
0	7	72
0	2	67
0	3	68
0	3	68
0	6	71
0	4	69
0	6	71
0	10	75
0	10	75
0	6	71
0	7	72
0	14	79
0	13	78
0	15	80
0	13	78
0	12	77
0	13	78
0	14	79
0	15	80
0	5	70
0	2	67
0	3	68
0	3	68
0	7	72
0	4	69
0	6	71
0	8	73
0	8	73
0	248	73.0

248

**2017**  
**August Bill**

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

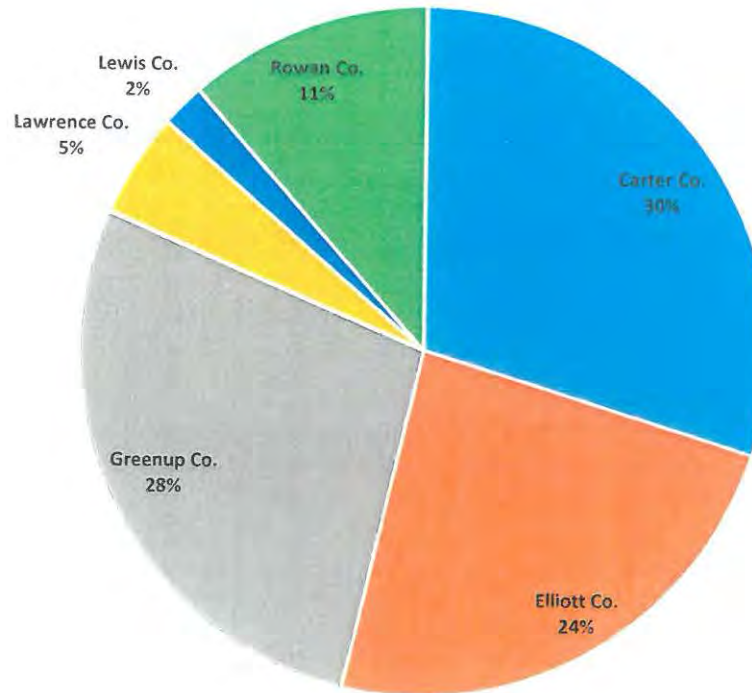
159



**Bills by County**

	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17	Aug-17
Carter Co.	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572		4,607
Elliott Co.	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662		3,686
Greenup Co.	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319		4,368
Lawrence Co.	761	761	763	761	766	768	768	774	780	785	774		782
Lewis Co.	321	314	315	311	316	310	317	313	316	312	316		313
Rowan Co.	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770		1,771
	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-	15,527

**# of Bills  
August 2018**





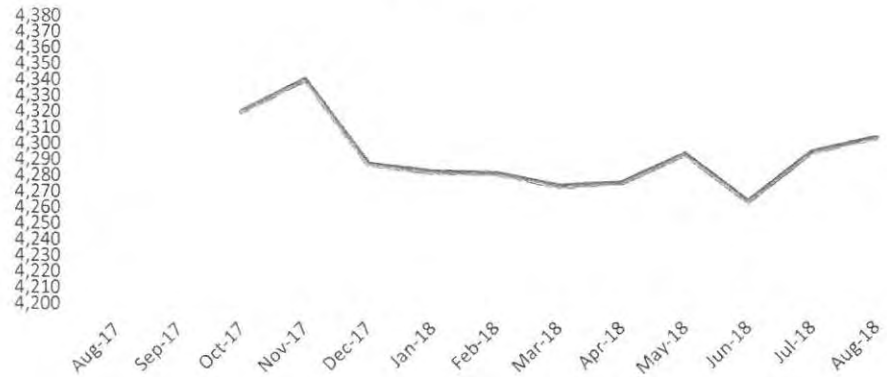
Carter Co.



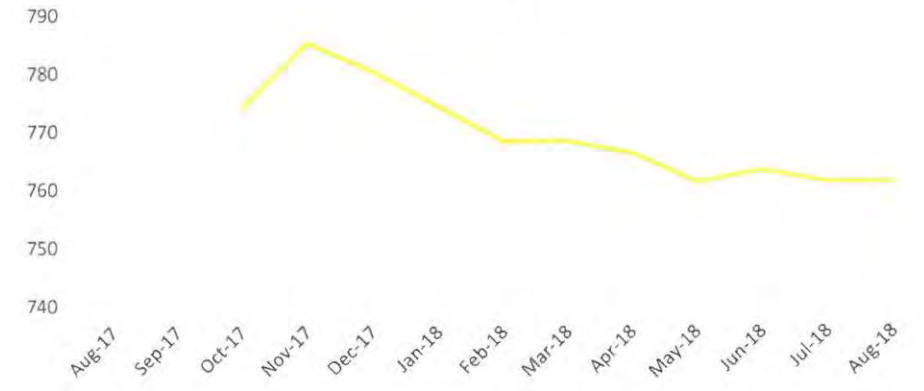
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**AUGUST 2018**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER	COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		26	716.80	(716.80)		
100	NEW LINE EXTENSIONS		21	74,009.11	74,009.11	3,524.24	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS		0	0.00	0.00		
602	SERVICE UPGRADES		2	2,891.21	2,891.21	1,445.61	1,920.25
603	SECTIONALIZERS		3	13,929.17	13,929.17		
604	REGULATORS						
606	POLES		32	138,893.65	138,893.65	4,340.43	2,410.75
701	SECURITY LIGHTS		38	28,647.42	28,647.42	753.88	423.50
1600	MINOR PROJECTS		3	2,783.14	2,783.14		
	TOTAL		123	261,870.50	260,436.90		
601	SPECIAL EQUIPMENT	ACCT#					
	TRANSFORMERS	368.00	20	21,120.18	21,120.18	1,056.01	1,120.00
	METERS	370.00	464	36,963.20	36,963.20	79.66	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	2	4,042.97	4,042.97	2,021.49	
	TOTAL		486	62,126.35	62,126.35		
	MATERIAL			33,316.97			
	MATERIAL OH			41,842.91			
	LABOR			27,093.07			
	LABOR OH			57,182.12			





## REVENUE SUMMARY AUGUST 2018

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 299,088.77	\$ 3,588.58	\$ 5,517.45	\$ 13.75	\$ 2,762.15	\$ 27,075.30	\$ 338,046.00	\$ 4,096.74	\$ 9.99	\$ 7,302.16	2,454	2,499,609
\$ 337,084.09	\$ 5,300.36	\$ 10,392.32	\$ 24.75	\$ 1,170.28	\$ 30,983.61	\$ 384,955.41	\$ 3,201.86	\$ -	\$ 7,962.05	2,902	2,819,005
\$ 69,294.02	\$ 806.69	\$ 1,469.15	\$ 5.50	\$ 630.79	\$ 6,288.80	\$ 78,494.95	\$ 1,053.49	\$ -	\$ 1,692.08	633	572,799
\$ 907,714.91	\$ 14,746.39	\$ 18,380.44	\$ 74.25	\$ 3,120.80	\$ 82,632.64	\$ 1,026,669.43	\$ 7,597.50	\$ 36.90	\$ 21,340.21	5,851	7,797,550
\$ 63.14	\$ 20.61	\$ 1,386.58	\$ 2.75	\$ 10.33	\$ 129.44	\$ 1,612.85	\$ 12.38	\$ 3.60	\$ 40.24	109	10,794
<b>\$ 1,613,244.93</b>	<b>\$ 24,462.63</b>	<b>\$ 37,145.94</b>	<b>\$ 121.00</b>	<b>\$ 7,694.35</b>	<b>\$ 147,109.79</b>	<b>\$ 1,829,778.64</b>	<b>\$ 15,961.97</b>	<b>\$ 50.49</b>	<b>\$ 38,336.74</b>	<b>11,949</b>	<b>13,699,757</b>
\$ 19,593.21	\$ 208.96	\$ 451.20	\$ -	\$ -	\$ 1,778.56	\$ 22,031.93	\$ 87.70	\$ (22.80)	\$ 289.69	346	95,828
\$ 25,455.78	\$ 274.66	\$ 318.49	\$ -	\$ 61.98	\$ 2,287.59	\$ 28,398.50	\$ 56.42	\$ (6.17)	\$ 262.75	380	135,813
\$ 20,268.98	\$ 165.73	\$ 702.97	\$ -	\$ 30.99	\$ 1,856.51	\$ 23,025.18	\$ 176.92	\$ 3.18	\$ 385.90	456	82,873
\$ 46,035.72	\$ 448.85	\$ 1,056.84	\$ -	\$ 75.06	\$ 4,174.88	\$ 51,791.35	\$ 291.04	\$ 191.20	\$ 1,195.91	875	214,377
\$ 8,280.63	\$ 87.40	\$ 203.62	\$ -	\$ 35.65	\$ 752.83	\$ 9,360.13	\$ 82.75	\$ 38.18	\$ 152.68	142	41,787
\$ 767.38	\$ 5.59	\$ 39.09	\$ -	\$ -	\$ 71.35	\$ 883.41	\$ 29.30	\$ -	\$ 22.75	22	2,568
\$ 1,558.81	\$ 6.86	\$ 57.88	\$ -	\$ 10.33	\$ 142.65	\$ 1,776.53	\$ 12.93	\$ -	\$ 38.57	35	6,796
<b>\$ 121,960.51</b>	<b>\$ 1,198.05</b>	<b>\$ 2,830.09</b>	<b>\$ -</b>	<b>\$ 214.01</b>	<b>\$ 11,064.37</b>	<b>\$ 137,267.03</b>	<b>\$ 737.06</b>	<b>\$ 203.59</b>	<b>\$ 2,348.25</b>	<b>2,256</b>	<b>580,042</b>
\$ 160,683.95	\$ 2,880.68	\$ 3,526.81	\$ 5.50	\$ -	\$ 14,670.06	\$ 181,767.00	\$ 778.74	\$ 8,152.81	\$ 4,399.99	947	1,320,421
\$ -	\$ 4.49	\$ 298.46	\$ -	\$ -	\$ 26.63	\$ 329.58	\$ 8.95	\$ 16.18	\$ 9.57	10	2,066
\$ 15,646.49	\$ 260.62	\$ 1,598.24	\$ -	\$ -	\$ 1,536.95	\$ 19,042.30	\$ 11.55	\$ 343.21	\$ 404.68	157	119,539
<b>\$ 176,330.44</b>	<b>\$ 3,145.79</b>	<b>\$ 5,423.51</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 16,233.64</b>	<b>\$ 201,138.88</b>	<b>\$ 799.24</b>	<b>\$ 8,512.20</b>	<b>\$ 4,814.24</b>	<b>1,114</b>	<b>1,442,026</b>
\$ 211,582.34	\$ 4,978.01	\$ 988.49	\$ -	\$ -	\$ 19,100.79	\$ 236,649.63	\$ 1,147.50	\$ 8,207.04	\$ 5,885.53	69	2,282,438
\$ 99.86	\$ 1.14	\$ -	\$ -	\$ -	\$ 8.87	\$ 109.87	\$ -	\$ 6.59	\$ -	1	360
\$ 36,432.61	\$ 863.40	\$ 476.00	\$ -	\$ -	\$ 3,316.39	\$ 41,088.40	\$ -	\$ -	\$ 1,232.64	8	395,861
<b>\$ 248,114.81</b>	<b>\$ 5,842.55</b>	<b>\$ 1,464.49</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,426.05</b>	<b>\$ 277,847.90</b>	<b>\$ 1,147.50</b>	<b>\$ 8,213.63</b>	<b>\$ 7,118.17</b>	<b>78</b>	<b>2,678,659</b>
\$ 173,320.54	\$ 6,271.35	\$ 28.94	\$ -	\$ -	\$ 15,770.71	\$ 195,391.54	\$ -	\$ 8,074.04	\$ 5,861.74	2	2,875,447
<b>\$ 173,320.54</b>	<b>\$ 6,271.35</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 15,770.71</b>	<b>\$ 195,391.54</b>	<b>\$ -</b>	<b>\$ 8,074.04</b>	<b>\$ 5,861.74</b>	<b>2</b>	<b>2,875,447</b>
\$ -	\$ 8.39	\$ 599.15	\$ -	\$ -	\$ 53.34	\$ 660.88	\$ -	\$ -	\$ 19.83	1	3,846
\$ -	\$ 8.39	\$ 599.15	\$ -	\$ -	\$ 53.34	\$ 660.88	\$ -	\$ -	\$ 19.83	1	3,846
<b>\$ 2,332,971.23</b>	<b>\$ 40,928.76</b>	<b>\$ 47,492.12</b>	<b>\$ 126.50</b>	<b>\$ 7,908.36</b>	<b>\$ 212,657.90</b>	<b>\$ 2,642,084.87</b>	<b>\$ 18,645.77</b>	<b>\$ 25,053.95</b>	<b>\$ 58,498.97</b>	<b>15,400</b>	<b>21,279,777</b>
									<b>TOTAL TAXES</b>		
									<b>\$ 83,552.92</b>		
<b>TOTAL REVENUE</b>							<b>\$ 2,744,283.56</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

November 8, 2018

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 sixteenth day of November 2018** 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.

Bradley Cherry's report will be mailed separately this month.

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 16, 2018, 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 Board Meeting
4. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for September 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Rate Case Update
9. Cooperative Legal Matters – W. Jeffrey Scott
10. Manager of Technical Services Report – Brian Poling
11. Manager of Marketing & Member Services Report – Kim Bush
12. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
13. Approval of Ninety-Three (93) New Memberships and Retirement of One Hundred Eighteen (118) Existing Memberships for October 2018
14. Consider Approval of Accounts to be Charged Off to Reserve \$896.97
15. Consider Approval of President's Business Expense in the Amount of \$162.65, Director's Business Expense in the Amount of \$6,727.70 and Attorney's Business Expense in the Amount of \$11,496.71
16. Consider Community Service and/or Donations
17. Approval of Attendance at Meetings – Directors and Employees
18. Report of Meetings Held
19. Confirm Date for the November Board Meeting – Thursday, December 20, 2018
20. Additional Business
21. Adjourn





On October 26, 2018 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; Bradley Cherry, Manager of Finance & Accounting; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the minutes from the September Board Meeting for informational purposes only.
PRESIDENT'S REPORT	President Fraley reported on the following:
FLU SHOT / HEPATITIS A	Flu shots and Hepatitis A boosters were given Monday. Carter County is the leading county for Hepatitis A followed by Montgomery, Boyd, Elliott, etc.
SURE / ACRE	SURE and ACRE sent checks to Rocky Adkins, Jill York, Danny Bentley and Robin Webb.
ELECTRIC OUTAGE	We had a lot of wind on Saturday night. Elwood Russell from Montgomery said a tree fell on the line pulling his service off the house. We have pictures of his service. Mike Blevins said it was 39' from our right-of-way and Mr. Russell said it was 25' from right-of-way. He wants us to pay for it and she told him we wouldn't, but did tell him she would come and look at it.
LIHEAP	LIHEAP starts on November 4 <sup>th</sup> . Sherry Conley and Tina Preece attended the winter hardship training and then trained our Member Representatives. A letter was mailed to the Commission and one posted in the lobby confirming their training.
RODNEY HITCH	Bradley Cherry reported that Rodney Hitch stopped by Wednesday. Mr. Hitch said Braidy Industries was moving forward. They have started getting a lot of their funding, and they hired an executive team. It shouldn't be too long before they get started on construction.
GOVERNANCE MEETING	President Fraley phone conferenced the Governance Meeting and KAEC Board Meeting this month. She was disconnected on one call due to the Windstream phone line issues, most likely due to a fire at the old David Reeves law office burning Saturday night.
W A KENDALL	W A Kendall called and asked for an increase. This will be discussed under Kyle Clevenger's report.
K-MART	The K-Mart bankruptcy package received in the mail this week was given to Legal Counsel Scott to read. He also has a copy of the large power contract that shows we can cut them off on delinquent. Currently, K-Mart's bill is \$10,039.69 due today for service thru October 1, 2018. She asked Andrea to calculate their bill through today and it is approximately \$16,946.50.
RONNIE JAMES	Ronnie James requested the electric poles be moved out of his field. He also has a barn there and wants electric to it and a camper. In the past, Mr. James would not let Grayson build the line to Mr. Paul Gibson the way it was engineered, so Mr. Gibson has refused to give Mr. James a right-of-way,

RONNIE JAMES

which would include a pole and guy wires on his property. Joe Sargent, Engineer, said we could not place it in the ditch beside the road. Joe surveyed the line the way Mr. James would like to have it and the cost is approximately \$26,000. Joe said he would have to re-survey, so the price will have to be recalculated. President Fraley said Mr. James will have to sign a right-of-way easement to have those poles removed off his property and a specific easement will not be accepted. He submitted a \$500 check to his lawyer who forward the check to Legal Counsel Scott and it was forward to President Fraley. The construction cost will have to be paid in full up front. Some of Mr. James's adjoining property owners are Eugene Hall, Paul Gibson, Charlie Rice and Clyde Meenach.

CARTER CAVES STATE PARK

The Friends of Carter Caves State Park called and asked if we would help them with a project at Carter Caves to restore the old playground. President Fraley said the governor has a Beautify KY Program. CoBank has given Statewide a check for funding a beautification project, but we have to apply to CoBank for the grant. She ask the Board if they care to apply for this aid through CoBank to rebuild/replace the playground equipment. President Fraley has the application and will be filling it out, as it would not cost the Coop anything. She thinks we will have a good chance on getting the grant for Carter Caves. The Board approved.

MEMBER SERVICES

The arrangement in Member Services is working well. Sherry Conley has made a real contribution in collections and adjustments. She and Peggy Wells are working on the off service bills. Peggy went back a year and wrote letters to everyone about their off service bill. The first week they received \$2,500 to \$3,000. In March when the capital credit are applied for 2018, we will take any of their available capital credits. The second letter mailed out will say that we will pursue our legal options.

Filing is now kept up on a daily basis. Sherry is checking on every adjustment as it comes through. Julie's last day is November 2, 2018. Sue is doing an excellent job on the right-of-way easements before they go to Jeffrey.

WINTER HARDSHIP

The winter hardship reconnects that come along with LIHEAP require a good faith payment. After talking to Rosemary at the PSC she said they should pay at least one half, one fourth or one third of the bill.

CEO MEETING UPDATES

President Fraley said she was attending a lot of her meetings via conference calls due to family health reasons.

LEGISLATIVE BREAKFAST

The Legislative Breakfast in Frankfort is scheduled for February 7, 2019. No details of the breakfast has not been received.

KAEC DIRECTOR'S REPORT

Director Whitt reported the following on the KAEC Board Meeting this month.

SEATED 3 CEO'S

Three new CEO's were seated. Those seated were:

**Greg Grissom** who replaced Dennis Cannon at **Jackson Purchase Energy**.  
**Alan Gates** replacing Greg Grissom at **Pennyrile Electric**.  
**Greg Lee** will be replacing Mickey Miller as CEO at **Nolin RECC**.  
**Jack Bragg, Jr.**, is training under Debbie Martin at Shelby Energy, as she will be retiring in January 2019.

SEATED 3 CEO'S  
(CONTINUED) Bobby Sexton is no longer interim manager for **Big Sandy RECC**. **Bruce Aaron Davis** is the new President and CEO. Robert Moore, who serves as the delegate to the KAEC Board from Big Sandy, is in declining health and retired from the Statewide Board.

STREAMLINED ALTERNATIVE An update on the recent meetings with the Public Service Commission regarding a streamlined alternative rate case process was given.

RATE CASE UPDATE Bradley gave an update on Rate Case 2018-00272. We answered our first round of questions. There was 59 questions, but only 7 had to be answered, as the others were already answered in our application. They came back with an order in October and the last date to intervene in our case is November 2, 2018. After that date we will probably see another request for information. Filing for a rebuttal testimony, if there is an intervener, will be up until February 6, 2019. If not, they will set a public hearing date. We have not had an intervener yet. We have been suspended until March or April.

CHRIS PERRY, KAEC CEO Executive Session was held regarding the CEO performance appraisal with Winston Tann as the facilitator. He is now at \$351,000 plus they voted to pay \$10,000 on his retirement.

KAEC LEGISLATIVE OFFICE KAEC plans to purchase space in Frankfort to be used by KAEC and EKPC lobbyists.

KAEC ANNUAL MEETING The KAEC Annual Meeting is November 19<sup>th</sup> and 20<sup>th</sup> in Louisville.

EKPC DIRECTOR Director Arrington reported on the following from the East Kentucky Power Cooperative Board Meeting.

The August overview or margins, revenue, budgets and expenses was discussed in great detail. Some items mentioned were:

Margins were \$7.2 Million  
\$1.3 Million over budgeted margin  
Revenue under budget \$2.2  
Expenses were under budget at \$3.5  
Year to date margins were over budget by \$7.9 due largely to weather  
O&M expenses were \$3.3  
Purchased power \$2.9  
Fuel expenses \$2.7  
Revenue & other income \$2.2  
August budget margins \$5.9  
August year to date margins over budget \$7.9  
August margins surpassed 2017 margins by \$16.9  
Revenue and other income was \$43.1 higher than 2017  
Interest income increased \$4.3  
PJM capacity sales decreased \$14.5  
Fuel purchased power was \$32.9 higher than 2017  
All other expenses were \$6.7 lower than 2017  
Capital expenditure below budget  
August 2018 expenditure of \$14.5 were \$.6 over budget.

Barry Mayfield retired, but EK is going to hire him back on contract.

A detailed report can be found in the October Board Folder.

FINANCIAL & STATISTIC REPORT FOR AUGUST 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for August 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of August were 1.17% over budget. Purchases for the month of August were 2.17% over budget. Line loss for the last twelve months was 5.39%. Year-to-date margins were \$567,467 compared to the budgeted amount of (\$360,986). Sales were up 14%.
FUEL ADJUSTMENT	The fuel adjustment for July was 0.000458.
ESC	The environmental surcharge was 7.27%.
DEGREE DAYS	There were 338 cooling degree days and 0 heating degree days.
T.I.E.R.	August 2018's monthly O.T.I.E.R. was 3.30 with the rolling 12 month O.T.I.E.R. at 0.38. Year to date 1.75. This year has really helped us with our T.I.E.R.
BILLS	We mailed 15,400 bills in August. Count by county was: Carter 4,595 (30%), Elliott 3,657 (24%), Greenup 4,302 (28%), Lawrence 761 (5%), Lewis 321 (2%) and Rowan 1,764 (11%). We had 5 less members than last month and 105 less than last August.
CAPITAL CREDITS	Capital Credits were mailed this month. We mailed 19 checks totaling \$12,157.18. Year to date total is \$93,244.80. There are 21 outstanding applications, 19 incomplete and 2 came in late.  President Fraley reported Rosemary at PSC said if a member dies, we legally can disconnect that account after 30 days.
BUDGET MEETING	Staff is working on our preliminary budget. We will have four trucks to purchase this year. We may budget for the lower parking lot, but would not have the work done until the creek has been dredged. The Grayson City Council is working on this project.  Planning & Review will meet in December and bring the proposed budget to the Board at the December Board Meeting.  We applied to draw down \$5-million on our workplan.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR AUGUST 2018	Motion was made by Director Whitt, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for August 2018 as presented, for informational purposes only.
LEGAL COUNSEL	Legal Counsel Scott reported on the following:
SOUTH KY CASE	The time to file appeal in the South Kentucky case is Monday. South KY lawyers sent email saying they aren't going to appeal. The Order of the Commission says Amendment 3 is rescinded. However, Amendment 3 allowed the Cooperatives to buy off system power and, as a compromise, extended the Wholesale Power Contract until 2041. Since the Amendment has been rescinded, we believe the Wholesale Power Contract should return to the original date. He has written to the RUS Administrator to ask his opinion.

AMENDMENT 3

President Fraley explained that Amendment 3 was signed in 2003, extending it from 2025 to 2041, allowing the coops to go out and buy so much percent of power. EKPC wanted to finance the Smith Plant through RUS and they wanted an extension of the Wholesale Power Contract to 2051 as a surety. We believe that since the Smith Plant was canceled, the Wholesale Power Contract date should also be changed.

RIGHT-OF-WAY EASEMENTS

Legal Counsel Scott replied to Chairman Dupuy's request on right-of-way easements and what it means if we had lines already there. He did some research with the aid of his office, contacted NRECA, put together a handout and emailed a copy to everyone last night. We do need the easement and we need to record them. In August, he had said that we could set a meter if there had already been service there and the meter base was in good condition. However, his research indicated otherwise.

The right-of-way easement that allows GRECC to go on a member's property has to be current and recorded or recorded from the previous property owner. Recorded easements are perpetual. Therefore, an easement, would cover a danger tree that could fall into a line that is outside of the 40' easement.

Eminent domain case was used in Vanceburg and we won. To declare would be no other way to get electric to the property. President Fraley stated there was no way to take out danger trees, due to cost. President Fraley suggested we continue doing as we are doing because we cannot afford it. She said if a tree was certainly a hazard, we would try to get permission to cut it from the property owner. However, healthy trees beyond the right of way would not be cut.

Legal Counsel suggested that we make a note on the right-of-way ticket and have the property owner sign it if a consumer doesn't want a danger tree cut.

If a member purchases property, knowing electric facilities are located there, they will have to sign a right-of-way easement, unless we have a recorded easement on file from a previous property owner that matches that property description. When signing up a renter it is up to Coop to get an easement from the landlord/property owner. Legal Counsel says that we should not energize the service and will not be connected until we have received the signed and notarized easement.

Legal Counsel stated we need a signed right-of-way easement from the land owner before the renter gets the electric turned on. This easement must be recorded for protection.

Chairman Dupuy said on the advice of our attorney and under the direction of the Public Service Commission we have to have the easement. He suggested putting in the magazine if you own property and are a landlord you must sign an easement or you will not be able to rent. He also suggested a letter to landlords.

WHOLESALE AGREEMENT

He wrote a letter to RUS concerning the wholesale agreement and waiting on an answer.

CORRAL PARK

Jeff Metcalf and Jeff Wentz, would like Grayson RECC to pay \$7,000 for what they believe is damage to their blacktop, change out all the night lights



CORRAL PARK (CONTINUED) in the park to LED so they will be the same color, and contact the telephone company and make them transfer their lines to our new poles. Marsha Thacker mails letters and prints to the telephone notifying them when a job is completed. Kyle and Mike said they examined the road and did not see any damage that we caused. We will change out the lights as needed and declined to make a contribution to the blacktop project.

RECORDED EASEMENTS Mr. Scott said that easements coming to his office have improved. From September 28 – October 26 he has reviewed 158 including the ones sent back to the Co-op for correction. Eleven (11) easements were recorded in Lewis County and 33 in Greenup County. Easements sent to be recorded and not received at this time are: Elliott County 26, Carter County 38 and Greenup County 10. These easements have yet to be sent and recorded: Greenup County 7, Rowan County 15, Lawrence County 7 and Elliott County 2.

Legal Counsel Scott made a recommendation that suggested the word 'width' be inserted in the easement.

MANAGER OF TECHNICAL SERVICES Brian Poling, Manager of Technical Services reported on the following:

AMI AMI is making progress. They are shipping equipment today. Steve Bush, Scott McGuire, and Brian are attending a training meeting in Indianapolis next week. Andrea and Peggy Skaggs will be attending RF Command Center Training at Landis + Gyr in Pequot Lakes, MN.

HALBERT POLE INSPECTION The Halbert Pole Inspection provided the following information:  
1,029 poles were inspected in 6 weeks by one man.  
6 poles or 3.1% were marked Priority to be changed out and 1 needs to be changed immediately.  
26 or 10.1% were marked Priority 2 and need to be replaced soon.  
104 poles have other issues and will be checked by Maintenance.  
Total cost of the pole inspection was \$11,193; an average cost of \$11.58 per pole.  
\$3,700 is the average pole cost to replace this year.  
\$3,866 is the average cost per pole replacement next year.  
\$123,700 is the estimated cost of P1 & P2 pole replacements.  
P1 & P2 poles were close to 50 – 52 years in age.  
\$402,064 is the potential pole replacement cost.

DJI PHANTOM 4 PRO DRONE Robert Brown gave a presentation on the Phantom 4 Pro Drone we recently purchased. It will be useful in line inspections, trouble shooting and storm work. We tried the drone on a tie between Little Quisenberry and Lower Oak Grove. It took Robert 15 minutes to find the pole and in 10 minutes to tell what is needed.  
The drone weighs three pounds and licensed for up to fifty pounds. It flies 45mph and the average flight time is 30 minutes before recharging. A windy day takes more battery time, but does not affect the pictures taken.  
Robert's license is size 8 x 3 and for use 24 hours a day. He took a 60 question timed test to get the licensed. Tony Brewer and 2 from Clark also took the test. Tony's license should be here today. The cost to purchase this drone is about \$2,000 with accessories (extra battery).  
You are to notify FFA when ready to fly or 1800wxbrief.

He has applied for a NOTM to stay there 2 years. This covers us and allows us to be there. Most cases will be flying at below tree level.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush had surgery today, so Julie Lewis, Secretary for Member Services, gave her report. She reported on the following:

LIHEAP

LIHEAP will officially begin on November 5<sup>th</sup>, but agencies are already taking applications for people who meet certain criteria. Sherry Conley and Tina Preece attended the training held at KAEC and met with Rosemary Tutt with the Kentucky PSC.

WRITE-OFFS

The Member Service Representatives, as well as Sue Roberts, have been working on write-offs from January 2018. To date, we have collected \$2,884.08 since the first week of October. The payments we have received thus far are from write-offs since January 2018. In total, we have collected almost \$8,000 since January 1<sup>st</sup>. We also have some former members that have come in and signed a contract to make payments, either weekly or monthly. We began by sending a reminder letter from Peggy Wells along with a copy of their final bill and will be sending out a second, more forceful letter from Sherry Conley this week. This second letter will remind them that if payment is not made, we will be required to seek legal action, including Small Claims Court, if necessary. We will also utilize every tool we currently have to find new addresses and phone numbers to send out letters and/or calls to others who owe us outstanding bills.

PREPAY

PrePay's to date are:

Active PrePay Accounts 782	Inactive Accounts 13
Average Balance on accounts - \$41.19 credit	
Average kwh Usage - 30 a day	Total # of Payments in 30 days - 3,439
Average Payment - \$32.09	Total Payment Amount - \$110,368.63

DEBT MANAGEMENT

We have 66 active accounts with debt management.  
The total amount in Debt Management is \$16,700.94.

ENERGY VISITS

Tina has made the following home visits:

Energy Audits=4	TSE Home=1	CARES=1	Button-Up=1
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ENERGY STAR REBATES

The following Energy Star appliance rebates were filed:

Clothes Washer=2	Dishwasher=3	Refrigerator=3
Freezer=1	ES Heat Pump=2	

SOLAR

The solar update given was:

Cooperative Solar inquires=1	Cooperative Solar Sales=0
Cooperative Solar Total=97 panels (no change)	
Total Net Metering Accounts=5	Net Metering Inquires=0

LINEMAN LICENSE PLATE  
FUNDS

We received a check for \$10,555 for the Kentucky Lineman license plant sales plates sales for the period of July 1, 2017 through June 30, 2018. This was an increase of \$1,381 from last year. We distributed checks to 4 schools in the amount of \$2,638.75 each. Those schools were: Gateway Community and Technical College, Somerset Community College, Ashland Community and Technical College and Maysville Community & Technical College.

PROGRAMS /  
ANNOUNCEMENTS

October 1 & 2 – Conservation Field Day at Camp Webb for all 4<sup>th</sup> grade students in Carter County – Safety Demonstrations (500 kids)  
October 8 – Hosted the Grayson Chamber of Commerce for their monthly meeting at noon. All counties were invited to the First Responders Safety Training that evening after work. KAEC presented the safety training. Fifty-three were registered with about 100 in attendance.

December 14 - Service Awards Dinner at the old Olive Hill High School

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 September:

September 7 – Bradley Cherry, Manager of Finance & Accounting, turned the meeting over to Tony Dempsey for the KAEC monthly safety meeting. A power point on the proper PPE that needs to be worn during the work day was shown. Examples of eye, face, head, foot, safety vest, voltage testing equipment, personal voltage detector, grounding equipment, hand leg, fall protections, body belts and clothing. Certificate of completion for Haz-Mat Refresher was presented to Roger Kitchen and Joe Sargent.

September 10 – Kyle Clevenger, Manager of Operations, turned the meeting over to Brian Poling who gave a presentation on the Landis/Gyr Gridstream RF Solution that will be moving to radio frequency metering and more reliable outage notifications. Kyle went over a safety investigation that involved Chris Mosier which found no safety violations. Kyle requested everyone to be careful.

September 17 – Carol Hall Fraley, President and CEO, turned the meeting over to Robert Brown and Tony Brewer. They gave a presentation on Utility Drones, drone safety training, drone registration, operation limitations and several rules and regulations in operating a drone. Kyle stated that it was wet and slick for everyone to be careful.

September 24 – Mike Martin, Assistant Manager of Operations, read an article on Four Things We Shouldn't Say when it involves an accident. 1. Why don't they just follow the rules? 2. Safety is just common sense. 3. They must be disciplined. 4. What were they thinking? He went over the explanations for each and how these statements damage our safety culture and we need to work and change our approach. Kyle requested everyone to be careful.

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.

JOBS BUILT

Construction built one hundred twenty-three (123) new workorders (including 21 services added and 16 services retired) for the month of July and worked zero (0) hours of overtime.



**DELINQUENT NOTICES** There were 196 delinquents for October. Ninety-two (92) cards were issued to be disconnected and 7 accounts were disconnected by remote meter on October 9 for cycle 1. Eighty-three (83) cards were issued to be disconnected and 14 accounts were disconnected by remote meter on October 15 for cycle 2. Field personnel disconnected a total of 23 meters and a total of 14 meters were reconnected by field personnel and remote.

**OVERTIME HOURS** The Maintenance Department worked 466 hours of overtime. The Engineering Department worked 0 hours of overtime.

**CONTRACT CREWS** We have two (2) Pike crews working in the following areas:  
  
Tony Seagraves—Pole changes in Carter County  
Bob Marrow—Coordination's and pole changes in various counties

**RIGHT-OF-WAY CREWS** We have ten (10) W A Kendall right-of-way crews working on random jobs and workorders at this time. Crew's trimmed 695 trees, cut 1,403 trees, cut 40,530 feet of brush/line and sprayed 180 spans of line. The crews are working in the following areas:  
  
1 cutting crew in Carter, Lewis and Greenup Counties  
1 cutting crew in Rowan County  
2 cutting crews in Lawrence 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 Elliott County  
  
Smith Tree Service, circuit crew at Lower Newcomb, Elliott County

**ENGINEERING REPORT** The Engineering Department released one hundred twenty-four (124) prints consisting of 946 feet of primary line and 2,146 feet of service wire.  
  
They currently have three (3) new services to be staked and three (3) to be drawn. There are nine (9) miscellaneous jobs to be staked or drawn.

**ROBERT WILLIAMS** Robert Williams and his wife stopped by the office last Thursday. He called earlier this week and asked for 5% raise across the board. He called back yesterday and dropped the rate to 3% for the men and 5% for the equipment. President Fraley and Mr. Clevenger suggested we decline the across the board request. Following Board discussion, no action was taken.

**APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS** Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve eighty-eight (88) new memberships and retirement of ninety-two (92) existing memberships for September 2018.

**BAD DEBT WRITE-OFFS** Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to charge off \$2,245.96 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 Trent, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$40.00, Director's business expenses of \$9,239.33, and Attorney's business expense of \$.00.

DONATIONS We received thank you notes from the Vanceburg Lions Club and Relay for Life of Carter County.

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

Rowan County Christmas – seniors and children gifts and food	\$100
Unity Baptist Church – Blaine Autumn Festival (LED bulbs, tumblers, stickers, trick or treat bags, coloring books and box of 1,000 suckers)– donation value	<u>\$1,210</u>
	\$1,310

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

MEETINGS HELD Chairman Dupuy reported on the attendance at the Regions 2 & 3 Meeting in Atlanta, Georgia.

BOARD MEETING DATE The November Board Meeting will be held on Friday, November 16, 2018 at 9:00 a.m.

ADDITIONAL BUSINESS Director Martin made a motion to go into Executive Session at 12:51 p.m.

EXECUTIVE SESSION Executive session concluded at 1:25 p.m.

ADJOURN Chairman Dupuy adjourned the meeting at 1:25 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 2018 - September 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
10/09/18	175539	Visa Expenses	
		*8/23 – Rate Case Meeting – meal expense	\$13.88
		*9/05 – Rate Case Meeting – meal expense	\$17.74
		*9/06 – office shopping – meal expense	\$10.93
		*9/12-14 KAEC Lineman's Rodeo, L'ville, KY	\$120.10
		\$24.76 meal	
		\$95.34 room	
		Total Expenses	\$162.65

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

### September-18

#### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (9/28)	\$ 343.60
<b>MISC</b>	-	0.00
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 981.72</b>

#### JIM BENTLEY

<b>Per Diem</b>	- GRECC Bd. Mtg. (9/28)	\$ 301.09
<b>MISC</b>	-	-
<b>VISA</b>	- NRECA (CR) Cancel Region II & III	(1,074.00)
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ (134.20)</b>

#### HAROLD DUPUY

<b>Per Diem</b>	- GRECC Bd. Mtg. (9/28)	\$ 332.70
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 971.03</b>

#### EDDIE MARTN

<b>Per Diem</b>	- GRECC Bd. Mtg. (9/28)	\$ 308.72
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 947.43</b>

**ROGER TRENT**

<b>Per Diem</b>	KAEC Lineman's Rodeo ( 9/12-14); GRECC Bd. Mtg. (9/28)	\$ 1,664.46
<b>MISC</b> -		-
<b>VISA</b> -	Lineman's Rodeo	205.70
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b> -		<u>\$ 2,508.28</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (9/17); GRECC Bd. Mtg. (9/28)	\$ 814.73
<b>MISC</b> -		-
<b>VISA</b> -		-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b> -		<u>\$ 1,453.44</u>

**JEFF SCOTT**

<b>Per Diem</b> -		\$ -
<b>MISC</b> -	Mileage (R/W Easements & Mortgage Work)	227.71
<b>Excess Hrs</b> -	(1.75) hrs. PSC South KY Case	350.00
	(25) hrs. R/W Easements	5,000.00
	(10.25) hrs. Mortgages	2,050.00
<b>Out-of-Pocket</b> -	Copies (R/W Easements & Mortgage Work)	61.00
	Record (225) R/W Easements	3,808.00
<b>VISA</b> -		-
<b>TOTAL</b> -		<u>\$ 11,496.71</u>

































# Grayson Rural Electric Financial Report



November 16, 2018

At A Glance....

September

<u>kWh Sales (9/01 - 9/30)</u>		<u>Margins</u>	
Month	7.28%	Month	\$ (98,238.37)
YTD	6.72%	YTD	\$ 469,229.06
<u>kWh Purchases (9/01 - 9/30)</u>		<u>OTIER</u>	
Month	8.11%	Month	0.00
YTD	6.74%	YTD	1.55
<u>Line Loss</u>			
Month	4.76%		
YTD	5.33%		

Fuel Adjustment (0.007023)

ESC 7.81%

Degree Days 275

Heating Degree Days 11

Cooling Degree Days 264

**Notes:**

- Capital Credits
- Rate Case Update 2018-00272
- 401K Contribution Rate

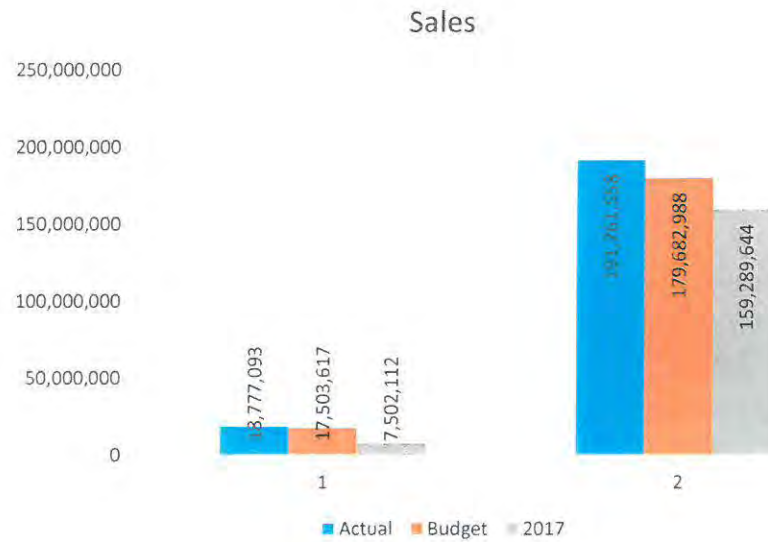




**Sales**

**September**

	2018	2017	2017-2015
<b>Actual</b>	18,777,093	7,502,112	13,141,824
<b>Budget</b>	17,503,617		
<b>Difference</b>	1,273,476 7.28%	11,274,981 150.29%	5,635,269 42.88%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
<b>Actual</b>	191,761,558	159,289,644	174,724,113
<b>Budget</b>	179,682,988		
<b>Difference</b>	12,078,570	32,471,914	17,037,445
<b>% Difference</b>	6.72%	20.39%	9.75%



**Purchases**

**September**

	2018	2017	2017-2015
<b>Actual</b>	19,714,881	17,591,772	18,491,381
<b>Budget</b>	18,236,064		
<b>Difference</b>	1,478,817 8.11%	2,123,109 12.07%	1,223,500 6.62%
<hr/>			
	<b>YTD-2018</b>	<b>YTD-2017</b>	<b>YTD-Prev 3</b>
<b>Actual</b>	202,553,898	182,988,948	195,092,201
<b>Budget</b>	189,772,384		
<b>Difference</b>	12,781,514	19,564,950	7,461,697
<b>% Difference</b>	6.74%	10.69%	3.82%





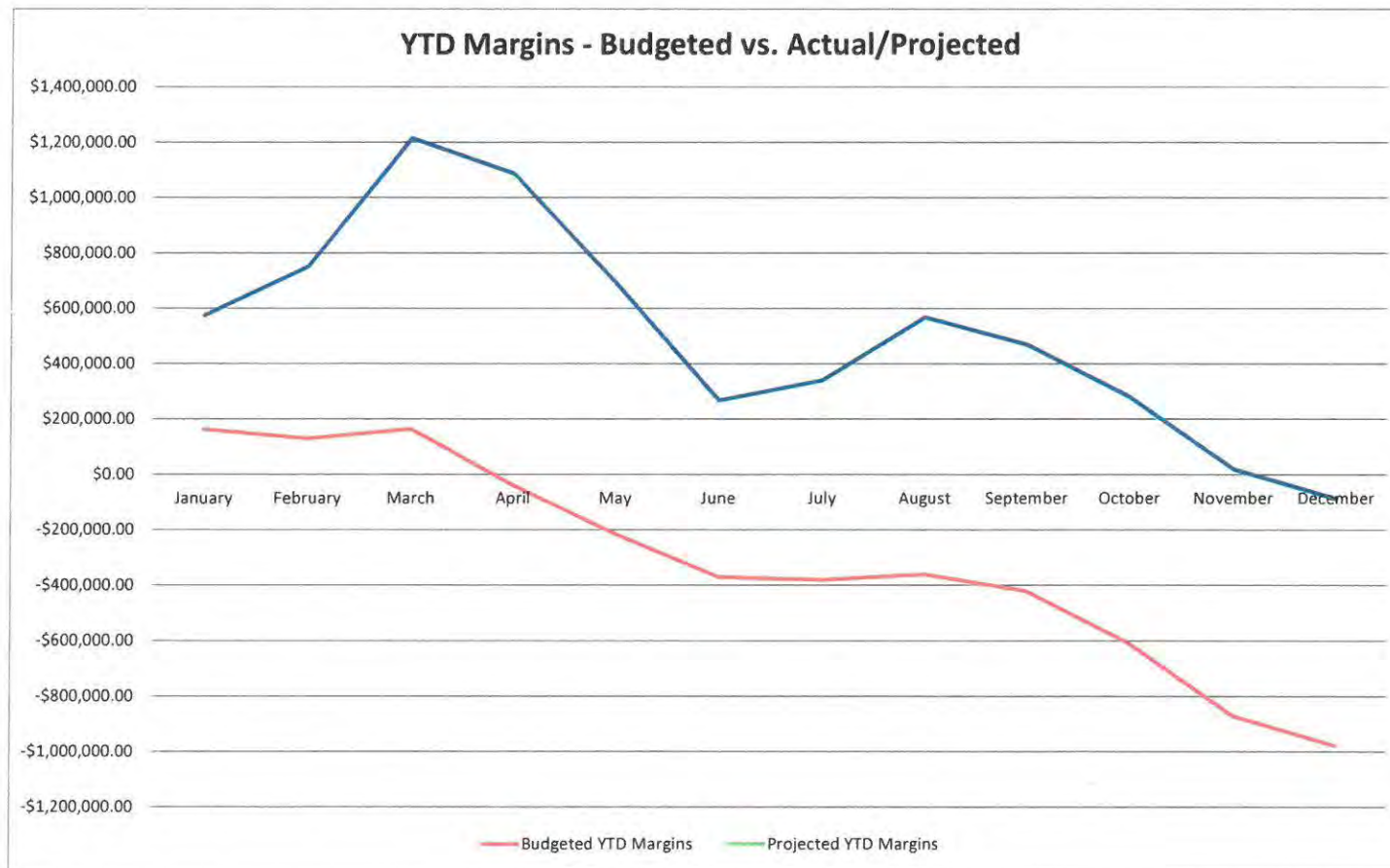
Monthly Operating Revenue & Expenses

	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018
Revenue	(816,087)	(2,021,100)	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)
Purchased Power	1,136,518	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079
Gross Margins	320,431	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)
Operations	99,913	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993
Maintenance	246,528	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119
Customer Service	94,306	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342
Informational Advertising	26,967	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962
Demonstration Advertising	1,490	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567
Admin & General	183,781	185,069	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426
Depreciation	292,205	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569
Regulatory	4,022	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	3,423	2,559
Interest - LTD	85,030	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224
Interest - Deposits	671	668	664	593	1,408	1,396	1,392	1,391	1,394	1,445	1,423	1,414	1,424
Miscellaneous Expense	4,080	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869
Interest Income	(2,514)	(2,465)	(2,454)	(2,474)	(2,462)	(2,463)	(2,424)	(2,465)	(2,465)	(2,455)	(2,459)	(2,457)	(2,513)
Non-Electric Revenue	(30,761)	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)
Capital Credits	(33,801)	-	-	-	-	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)
Margins	1,292,347	306,529	68,841	(422,400)	(673,165)	(177,210)	(463,971)	128,463	394,450	424,432	(72,750)	(227,575)	98,238
* ( )'s = positive margins													
Operating Expenses	1,038,993	1,068,254	1,034,099	943,985	1,092,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,889	1,109,213	1,106,436	1,186,054
Monthly OTIER	(14.20)	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)
Revenue	(27,803,694)	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(29,866,584)	(30,165,783)	(30,045,070)	(29,636,079)	(29,768,351)	(30,237,157)	(31,836,011)
Purchased Power	16,790,322	16,945,189	17,085,873	17,151,603	17,816,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,663	18,361,224
Gross Margins	(11,013,372)	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)
Operations	1,318,274	1,312,179	1,312,520	1,299,965	1,328,118	1,347,602	1,359,607	1,340,835	1,371,826	1,397,164	1,388,355	1,382,551	1,441,831
Maintenance	3,357,482	3,386,407	3,439,976	3,424,805	3,382,188	3,372,536	3,379,558	3,372,897	3,360,487	3,369,363	3,330,357	3,375,194	3,463,785
Customer Service	1,030,908	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992	1,085,572	1,105,770	1,104,811	1,108,900	1,123,080	1,126,096
Informational Advertising	248,631	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,186	229,033	225,044	224,265	212,260
Demonstration Advertising	20,832	20,862	21,026	22,103	21,786	22,039	21,526	21,469	21,415	21,626	21,189	21,089	20,166
Admin & General	2,004,716	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,990	2,059,636
Depreciation	3,443,746	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,576,075
Regulatory	43,062	43,743	42,410	41,074	41,108	41,142	41,176	41,210	41,244	39,791	38,318	36,855	35,392
Interest - LTD	940,516	948,755	957,790	980,167	982,553	996,207	1,010,095	1,041,614	1,058,893	1,071,890	1,081,503	1,094,698	1,107,891
Interest - Deposits	7,138	7,431	7,717	7,941	8,683	9,414	10,143	10,869	11,586	12,360	13,115	13,859	14,612
Miscellaneous Expense	41,829	34,447	33,456	35,148	36,746	39,893	48,372	53,634	58,349	59,248	63,865	73,842	81,631
Interest Income	(33,781)	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)
Non-Electric Revenue	(108,320)	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,428)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)
Capital Credits	(92,679)	(87,795)	(87,795)	(87,795)	(87,795)	(90,149)	(104,968)	(104,968)	(104,968)	(104,444)	(104,444)	(139,531)	(108,004)
Margins	1,208,983	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615	411,413	366,266	782,405	1,308,680	1,112,141	677,591	(516,118)
Operating Expense	12,457,135	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,092	12,992,115	13,139,176
Rolling 12 Month OTIER	(0.29)	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)	0.38	1.47





	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	-\$98,238.37	-\$60,686.77	-\$37,551.60	\$469,229.06	-\$421,672.93	\$890,901.99	\$469,229.06
October	\$0.00	-\$189,227.77			-\$610,900.70		\$280,001.29
November	\$0.00	-\$260,909.77			-\$871,810.47		\$19,091.52
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$88,274.89





## Margins/Tier

### September

	2018	2017	2017-2015
Revenue	(2,414,942)	(816,087)	(1,635,603)
Purchase Power	1,333,079	1,136,518	1,284,403
<i>Gross Margins</i>	(1,081,863)	320,431	(351,200)
Operating Expenses	1,186,054	1,038,993	1,016,912
Margins	98,238	1,292,347	636,987
OTIER	(0.00)	(14.20)	(6.80)

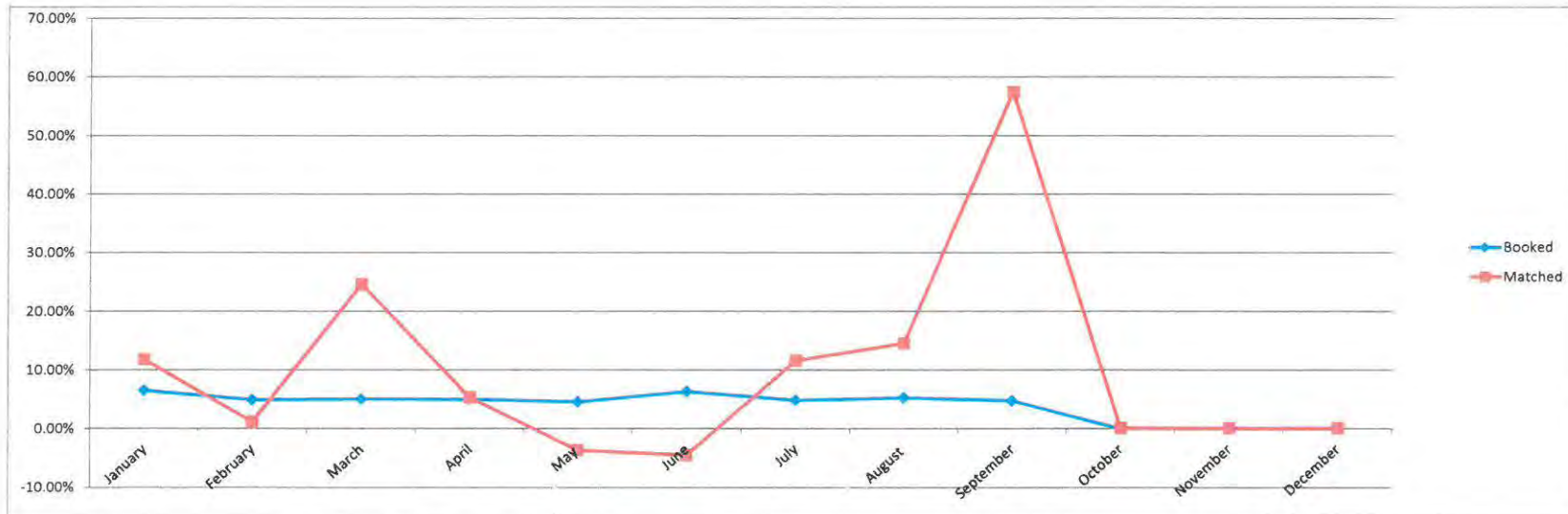
### Year to Date

	2018	2017	2017-2015
Revenue	(24,101,080)	(19,726,211)	(21,788,410)
Purchase Power	13,705,570	12,495,949	13,448,855
<i>Gross Margins</i>	(10,395,510)	(7,230,262)	(8,339,555)
Operating Expenses	10,092,837	9,528,214	9,482,194
Margins	(469,089)	2,095,513	942,152
OTIER	1.55	-2.25	-0.35





2018	January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>	29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00				
<b>2017</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	7,502,112.00				
<b>Purchases:</b>													
<b>2018</b>	31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00				202,553,898.00
<b>2017</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	17,591,772.00				182,988,948.00
<b>kWh Loss</b>													
<b>2018</b>	2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	0.00	0.00	0.00	10,792,340.00
<b>2017</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	10,089,660.00	0.00	0.00	0.00	23,699,304.00
<b>% Line Loss</b>													
<b>2018</b>	6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	#DIV/0!	#DIV/0!	#DIV/0!	5.33%
<b>2017</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	#DIV/0!	#DIV/0!	#DIV/0!	11.70%





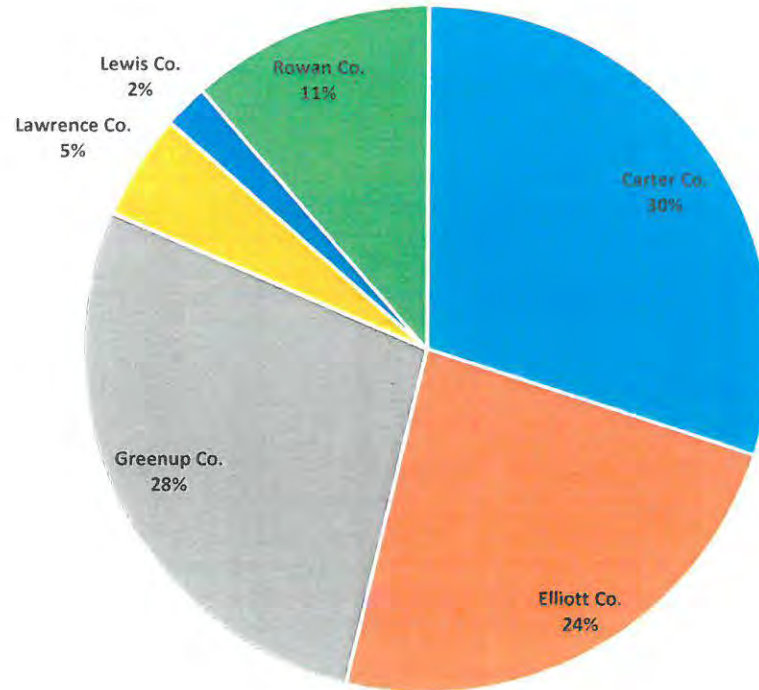
2018				2017				2017			
September Bill				September Corresponding Dates				September Bill			
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	
1-Sep	75	0	10	0	0	65	1-Sep	21-Sep	76	0	11
2-Sep	79	0	14	3	0	62	2-Sep	22-Sep	75	0	10
3-Sep	80	0	15	0	4	69	3-Sep	23-Sep	76	0	11
4-Sep	82	0	17	0	8	73	4-Sep	24-Sep	73	0	8
5-Sep	81	0	16	0	1	66	5-Sep	25-Sep	74	0	9
6-Sep	81	0	16	4	0	61	6-Sep	26-Sep	76	0	11
7-Sep	80	0	15	6	0	59	7-Sep	27-Sep	76	0	11
8-Sep	69	0	4	3	0	62	8-Sep	28-Sep	68	0	3
9-Sep	72	0	7	2	0	63	9-Sep	29-Sep	64	1	0
10-Sep	67	0	2	3	0	62	10-Sep	30-Sep	60	5	0
11-Sep	66	0	1	5	0	60	11-Sep	1-Oct	59	6	0
12-Sep	73	0	8	0	0	65	12-Sep	2-Oct	60	5	0
13-Sep	78	0	13	0	4	69	13-Sep	3-Oct	64	1	0
14-Sep	79	0	14	0	1	66	14-Sep	4-Oct	66	0	1
15-Sep	79	0	14	0	4	69	15-Sep	5-Oct	70	0	5
16-Sep	76	0	11	0	6	71	16-Sep	6-Oct	70	0	5
17-Sep	73	0	8	0	6	71	17-Sep	7-Oct	73	0	8
18-Sep	79	0	14	0	6	71	18-Sep	8-Oct	70	0	5
19-Sep	79	0	14	0	7	72	19-Sep	9-Oct	75	0	10
20-Sep	79	0	14	0	11	76	20-Sep	10-Oct	74	0	9
21-Sep	80	0	15	0	11	76	21-Sep	11-Oct	71	0	6
22-Sep	67	0	2	0	10	75	22-Sep	12-Oct	63	2	0
23-Sep	62	3	0	0	11	76	23-Sep	13-Oct	66	0	1
24-Sep	69	0	4	0	8	73	24-Sep	14-Oct	68	0	3
25-Sep	73	0	8	0	9	74	25-Sep	15-Oct	66	0	1
26-Sep	71	0	6	0	11	76	26-Sep	16-Oct	53	12	0
27-Sep	60	5	0	0	11	76	27-Sep	17-Oct	51	14	0
28-Sep	64	1	0	0	3	68	28-Sep	18-Oct	54	11	0
29-Sep	63	2	0	1	0	64	29-Sep	19-Oct	57	8	0
30-Sep	67	0	2	5	0	60	30-Sep	20-Oct	62	3	0
	73.4	11	264	32	132	68.3		67.0	68	128	
			275			164				196	



**Bills by County**

	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17	Sep-17
<b>Carter Co.</b>	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572	
<b>Elliott Co.</b>	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662	
<b>Greenup Co.</b>	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319	
<b>Lawrence Co.</b>	770	761	761	763	761	766	768	768	774	780	785	774	
<b>Lewis Co.</b>	323	321	314	315	311	316	310	317	313	316	312	316	
<b>Rowan Co.</b>	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770	
	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413	-

**# of Bills  
September 2018**





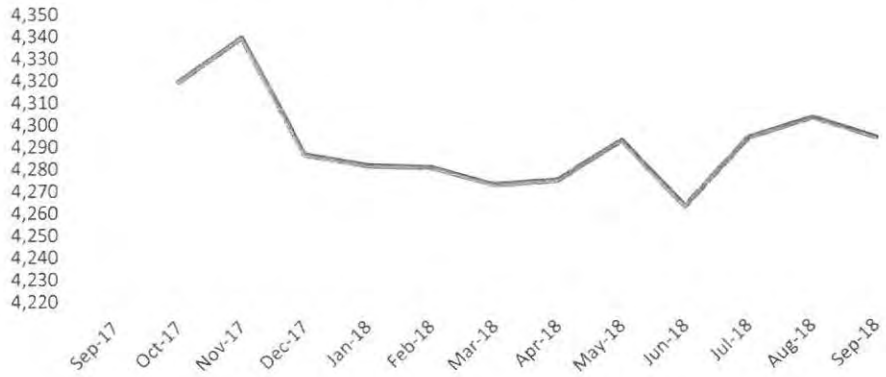
Carter Co.



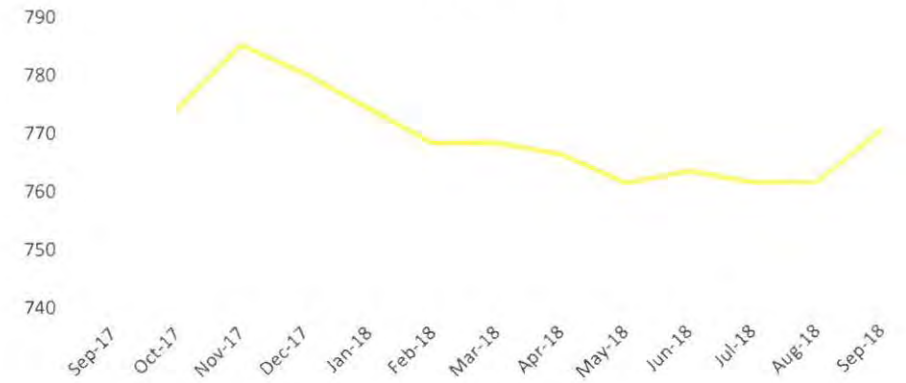
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







**SEPTEMBER 2018**

**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		13	475.20	(475.20)		
100	NEW LINE EXTENSIONS		23	61,588.19	61,588.19	2,677.75	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2	7,497.77	7,497.77	3,748.89	1,920.25
603	SECTIONALIZERS		7	7,984.20	7,984.20		
604	REGULATORS						
606	POLES		18	72,525.24	72,525.24	4,029.18	2,410.75
701	SECURITY LIGHTS		41	36,031.70	36,031.70	878.82	423.50
1600	MINOR PROJECTS		1	870.18	870.18		
	<b>TOTAL</b>		<b>103</b>	<b>186,972.48</b>	<b>186,022.08</b>		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	36	34,898.24	34,898.24	969.40	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	0	0.00	0.00	0.00	
	<b>TOTAL</b>		<b>36</b>	<b>34,898.24</b>	<b>34,898.24</b>		
	MATERIAL			<b>24,184.07</b>			
	MATERIAL OH			<b>38,338.03</b>			
	LABOR			<b>14,955.62</b>			
	LABOR OH			<b>58,541.06</b>			



## REVENUE SUMMARY SEPTEMBER 2018

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 262,861.14	\$ 1,457.05	\$ 5,535.51	\$ 13.75	\$ 2,737.67	\$ 20,129.30	\$ 292,734.42	\$ 11,266.01	\$
Class 11 (Non-Electric House)	\$ 298,285.27	\$ 1,336.74	\$ 10,302.19	\$ 24.75	\$ 1,171.98	\$ 22,762.34	\$ 333,883.27	\$ 9,221.74	\$
Class 13 (Non-Electric Mobile Home)	\$ 61,759.04	\$ 342.92	\$ 1,477.47	\$ 5.50	\$ 690.97	\$ 4,746.07	\$ 69,021.97	\$ 2,419.47	\$
Class 14 (All Electric House)	\$ 788,565.68	\$ 3,613.38	\$ 18,388.80	\$ 75.53	\$ 3,096.75	\$ 59,530.12	\$ 873,270.26	\$ 27,262.90	\$ 21
Class 61 (Security Light)	\$ 81.73	\$ 5.02	\$ 1,391.24	\$ 2.75	\$ 16.66	\$ 108.13	\$ 1,605.53	\$ 25.74	\$ 2
<b>44010 TOTALS</b>	<b>\$ 1,411,552.86</b>	<b>\$ 6,755.11</b>	<b>\$ 37,095.21</b>	<b>\$ 122.28</b>	<b>\$ 7,714.03</b>	<b>\$ 107,275.96</b>	<b>\$ 1,570,515.45</b>	<b>\$ 50,195.86</b>	<b>\$ 23</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 17,391.12	\$ 35.91	\$ 454.32	\$ -	\$ -	\$ 1,300.24	\$ 19,181.59	\$ 501.15	\$
Class 15 (Camps)	\$ 20,539.38	\$ 50.87	\$ 328.34	\$ -	\$ 66.33	\$ 1,529.08	\$ 22,514.00	\$ 1,168.99	\$
Class 16 (Barns)	\$ 19,168.49	\$ 37.79	\$ 702.63	\$ -	\$ 30.00	\$ 1,453.22	\$ 21,392.13	\$ 757.27	\$ 2
Class 17 (Garages, Out-buildings)	\$ 42,730.97	\$ 91.45	\$ 1,053.98	\$ -	\$ 79.41	\$ 3,198.51	\$ 47,154.32	\$ 1,031.67	\$ 167
Class 18 (Meters on Poles)	\$ 6,988.36	\$ 15.74	\$ 203.28	\$ -	\$ 20.00	\$ 525.99	\$ 7,753.37	\$ 243.44	\$ 36
Class 19 (Un-Inhabitable Houses)	\$ 655.55	\$ 0.76	\$ 39.09	\$ -	\$ -	\$ 50.58	\$ 745.98	\$ 13.87	\$
Class 20 (Miscellaneous)	\$ 1,471.81	\$ 4.53	\$ 57.88	\$ -	\$ 10.00	\$ 113.53	\$ 1,657.75	\$ 13.89	\$
<b>44040 TOTALS</b>	<b>\$ 108,945.68</b>	<b>\$ 237.05</b>	<b>\$ 2,839.52</b>	<b>\$ -</b>	<b>\$ 205.74</b>	<b>\$ 8,171.15</b>	<b>\$ 120,399.14</b>	<b>\$ 3,730.28</b>	<b>\$ 206</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 150,870.39	\$ 561.43	\$ 3,531.82	\$ 5.50	\$ -	\$ 11,265.90	\$ 166,235.04	\$ 5,754.74	\$ 7,593
Class 26 (Security Light)	\$ -	\$ 0.82	\$ 293.26	\$ -	\$ -	\$ 21.38	\$ 315.46	\$ 7.65	\$ 15
Class 28 (Churches)	\$ 14,115.83	\$ 47.98	\$ 1,592.56	\$ -	\$ -	\$ 1,145.47	\$ 16,901.84	\$ 163.49	\$ 312
<b>44210 TOTALS</b>	<b>\$ 164,986.22</b>	<b>\$ 610.23</b>	<b>\$ 5,417.64</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 12,432.75</b>	<b>\$ 183,452.34</b>	<b>\$ 5,925.88</b>	<b>\$ 7,921</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 201,188.33	\$ 997.90	\$ 1,002.27	\$ -	\$ -	\$ 14,771.80	\$ 217,960.30	\$ 4,573.96	\$ 8,012
Class 47 (Pumping Station)	\$ 110.45	\$ 0.27	\$ -	\$ -	\$ -	\$ 8.05	\$ 118.77	\$ -	\$ 7
Class 79 (All Electric School)	\$ 36,643.23	\$ 180.23	\$ 476.07	\$ -	\$ -	\$ 2,711.68	\$ 40,011.21	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 237,942.01</b>	<b>\$ 1,178.40</b>	<b>\$ 1,478.34</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,491.53</b>	<b>\$ 258,090.28</b>	<b>\$ 4,573.96</b>	<b>\$ 8,019</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison)	\$ 157,308.04	\$ 1,182.30	\$ 28.94	\$ -	\$ -	\$ 11,524.35	\$ 170,043.63	\$ -	\$ 6,926
<b>44230 TOTALS</b>	<b>\$ 157,308.04</b>	<b>\$ 1,182.30</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,524.35</b>	<b>\$ 170,043.63</b>	<b>\$ -</b>	<b>\$ 6,926</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ 1.76	\$ 599.15	\$ -	\$ -	\$ 43.69	\$ 644.60	\$ 64.46	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ 1.76</b>	<b>\$ 599.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43.69</b>	<b>\$ 644.60</b>	<b>\$ 64.46</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,080,734.81</b>	<b>\$ 9,964.85</b>	<b>\$ 47,458.80</b>	<b>\$ 127.78</b>	<b>\$ 7,919.77</b>	<b>\$ 156,939.43</b>	<b>\$ 2,303,145.44</b>	<b>\$ 64,490.44</b>	<b>\$ 23,098</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,442,092.21</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

December 12, 2018

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 Thursday, December 20, 2018 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

December 12, 2018

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 twentieth day of December 2018 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 December 20, 2018, 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. President's Report – Carol Hall Fraley
5. KAEC Director's Report – Jimmy Whitt
6. EKPC Director's Report – Kenneth Arrington
7. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for October 2018 – Bradley Cherry, Manager of Finance & Accounting
8. Consideration and Appropriate Action on the 2019 Budget – Eddie Martin
9. Rate Case Update
10. Cooperative Legal Matters – W. Jeffrey Scott
11. Consider Contract for Legal Counsel for 2019
12. Manager of Technical Services Report – Brian Poling
13. Manager of Marketing & Member Services Report – Kim Bush
14. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
15. Approval of Seventy-Eight (78) New Memberships and Retirement of One Hundred Five (105) Existing Memberships for November 2018
16. Consider Approval of Accounts to be Charged Off to Reserve \$3,645.51
17. Consider Approval of President's Business Expense in the Amount of \$42.00, Director's Business Expense in the Amount of \$12,628.90 and Attorney's Business Expense in the Amount of \$11,088.22
18. Consider Community Service and/or Donations
19. Approval of Attendance at Meetings – Directors and Employees
20. Report of Meetings Held
21. Confirm Date for the January Board Meeting – Friday, January 25, 2019
22. Additional Business
23. Adjourn



On November 16, 2018 at 9:12 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; Bradley Cherry, Manager of Finance & Accounting; and Priscilla Sparks, Executive Assistant.

INVOCATION	Chairman 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.
PRESIDENT'S REPORT	President Fraley reported on the following:
LIHEAP	We have been busy with the LIHEAP participation. Kim Bush will be giving further details in her report.
W A KENDALL CONTRACT	<p>President Fraley, Kyle Clevenger and Mike Martin talked to Robert Williams with W. A. Kendall Company, who wanted a 5% across the board. It was agreed that the Cooperative would give a wage increase of 2.5% to go directly to the men. The 2.5% increase would cost approximately \$22,000.</p> <p>A motion was made to amend the current contract for 2.5% wage increase to go directly to the men by Director Martin, seconded by Director Trent and unanimously agreed upon.</p>
K-MART	K-Mart bankruptcy Petition was filed in the US Bankruptcy Court for the Southern District of New York and has been reviewed by Legal Counsel Scott.
DEPOSITS	President Fraley has been looking at the large power and commercial accounts since K-Mart's bankruptcy. Some will need to be updated in January 2019.
TAXES	Eastwood, Northwood, and Elliott Manor are privately owned and should pay tax on accounts in their names. When they are in a member's name, no tax is charged. We are checking one on Dry Creek. Members who live there are eligible for LIHEAP.
WORKPLAN	We are currently working on completing the work in the current work plan. The new meters are beginning to come in. All the collectors and repeaters are here and they have been out this week analyzing and making sure they are going to work.
CORRAL PARK	Jeff Metcalf and Jeff Wentz came in to talk to President Fraley about Corral Park. She reported she wrote to them a week ago and told them the lights would be changed out, as needed. The road cracks looked like normal wear and tear and not from damage by GRECC. She said Marsha sent a letter to the phone company with print for change outs.
ELWOOD RUSSELL	Elwood Russell and John Russell on Montgomery had an outage due to a tree falling, pulling the service off his house. The tree was not on the Right of Way. He wanted Grayson to pay to have his service upgraded and the mast straightened. We told him we were not liable for this and he continues to

ELWOOD RUSSELL  
(CONTINUED)

complain. He has called the PSC, the Attorney General and the Better Business Bureau. He says the cost of the damage was \$950. She had Robert Brown to take the drone and take pictures. It is clearly off the right-of-way. He will receive a letter this week that we are not going to pay. The meter is built into the house.

PSC CASE NO. 2018-00272

In October the Attorney General's Motion to Intervene was granted by the Public Service Commission in Case No. 2018-00272, Application of Grayson Rural Electric Cooperative Corporation for an Adjustment of Rates.

Alan Zumstein and Jim Adkins were here yesterday and answered required questions. Jeffrey said we can redact certain things and black out certain things for confidently. Anything filed with them will appear on PSC website. Legal Counsel Scott explained the purpose of handling the procedure this way. Our T.I.E.R. had been good. They asked about the insurance benefits on employees and requested copies of all the board minutes for the last five years.

The Attorney General did not mail a copy to GRECC and Legal Counsel did not receive one, nor Bradley Cherry, but it is on the website. The Attorney General is doing the same with other co-ops. They said we ignored their directive and we did not.

East Kentucky is going to ask for \$39 million rate increase and give back capital credits. Equity for East Kentucky is headed toward 25% equity.

If we put on customer charge we will still have the revenue without depending on the weather. We are asking for an increase to our service charge of \$7.50 per month. The decision of the Commission will be before May 21, 2019.

COLLECTIONS

The girls are working on collections. In June we were at \$55,000 in write-offs. They have sent letters back to January and done very well. A second round of letters threatens legal action.

RIGHT-OF-WAY EASEMENTS

Right-of-way easements are being required. The Carter County Clerk's office asked why we sent them to Jeffrey and then to the Clerk's office. Legal Counsel Scott said it has to have a preparer's signature on it. When asked if we could do it, Legal Counsel said no. He said an employee of a corporation cannot prepare a document that was to be recorded in the county clerk's office. Any corporation that records a document has to have an attorney's signature on the document before it is a recordable document and explained in detail why. President Fraley checked with Pat Hieneman as well as Phyllis and both said Grayson could file their own. Legal Counsel suggested to call the clerk's office back.

KAEC DIRECTOR'S REPORT

Director Whitt reported the upcoming KAEC Annual Meeting is next week, November 19-20, 2018 in Louisville, Kentucky.

EKPC DIRECTOR

Director Arrington reported on the following from the East Kentucky Power Cooperative Board Meeting.

The Power Pulse Fall 2018 presentation was shown.

EKPC CHRISTMAS

EKPC invited everyone to their Christmas dinner on December 11<sup>th</sup>.

CFC TRAINING	CFC will offer training through KAEC on January 23 <sup>rd</sup> and 24 <sup>th</sup> at Marriott in Louisville.
FINANCIAL & STATISTIC REPORT FOR SEPTEMBER 2018	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for September 2018:
SALES AND PURCHASES	Kilowatt hour sales for the month of September were 7.28% over budget. Purchases for the month of September were 8.11% over budget. Line loss for the last twelve months was 5.33%. Year-to-date margins were \$469,229 compared to the budgeted amount of (\$421,673). Compared to last September, they were not good, due to the bill system change last year.
FUEL ADJUSTMENT	The fuel adjustment for July was (0.007023).
ESC	The environmental surcharge was 7.81%. This is charged to our members.
DEGREE DAYS	There were 275 degree days; 264 cooling degree days and 11 heating degree days. Average temperatures were 6 degrees warmer this year.
T.I.E.R.	September 2018's monthly O.T.I.E.R. was (.00) with the rolling month O.T.I.E.R. at 1.47. The year-to-date is 1.55.
BILLS	We mailed bills in September. Count by county was: Carter 4,629 (30%), Elliott 3,660 (24%), Greenup 4,293 (28%), Lawrence 770 (5%), Lewis 323 (2%) and Rowan 1,771 (11%). We went up around 46 bills.
CAPITAL CREDITS	There no capital credits paid this month. Capital credits will be paid in December.
401K CONTRIBUTION / RESOLUTION	Our 401K contribution must be approved annually. Several years ago, employees started paying long term disability insurance so that it would not be taxable if the employee had to draw it. The Cooperative makes an equivalent deposit to each employee's 401K, in accordance with a union agreement. Motion to make the change and accept the Resolution was made by Director Trent, seconded by Director Bentley and unanimously.

GO TO PAGE 4

RESOLUTION (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, 2019, 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 .7740% of the Participant's Base Compensation to .8112% 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-Fraley, the General Manager, 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" A.~~<sup>Martin</sup> 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 November 16, 2018, 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 19th day of November, 2018.

(Seal)

  
(Signature of Secretary)

EKPC / JACKSON ENERGY  
LETTER

President Fraley read sections of the East Kentucky Power letter to Jackson Energy for alternate power from last year, before the PSC's ruling. The Jackson Energy Board wrote a letter to EKP stating they were expecting them to honor their agreement. EKP said they would let the Commission decide, even though it was initially approved a year ago.

EKP is required to submit the contract to staff for approval and in doing so EK will simply note Jackson's position. If they get turned down it will come from the Commission. Carol Wright stated it was approved by the Board and it should have been on there.

PLANNING & REVIEW  
COMMITTEE

The Planning & Review will meet December 10, 2018 to review the 2019 proposed budget.



APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR SEPTEMBER 2018	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for September 2018 as presented, for informational purposes only.
LEGAL COUNSEL	Legal Counsel Scott reported on the following:  Most of his items had been discussed throughout the meeting.
MOU	He talked with RUS regarding the letter on whether or not the wholesale power contract extensions was effected by the PSC's recent ruling, eliminating Amendment 3 and the Memorandum of Understanding. He said they are still looking at it and asked for a copy of the MOU. A copy of the MOU was mailed.
MANAGER OF TECHNICAL SERVICES	Andrea McCleese, Assistant Manager of Technical Services reported on the following:
RF PROJECTS	We have received all of the networking equipment for the RF project. The equipment to install the network is still on order. One thousand meters is on order. The site surveys are where (14) collectors will be set on poles we place. The 725 routers send signals to the collectors. It doesn't distinguished between pedestals and pole. There are some areas where there are noises.
LANDIS + GYR	A representative from Landis+Gyr has been here this week to perform site analysis of the proposed collector sites. Brian, Steve, and Scott McGuire will site surveys of the router sites. There is an issue at Elliottville today.
KICKOFF MEETING	We have not had a kickoff meeting with Landis+Gyr for the RF project. The site surveys should be completed before the actual kickoff. Brian, Steve, and Scott will be attending training on RF Deployment the last week of November. Peggy Skaggs and Andrea will be attending Command Center training the first week of December.
DRONE REPORT	Robert Brown was able to provide valuable information about an outage around Grayson Lake using the drone. Chairman Dupuy suggested you keep record of the drone savings.
AT&T	We have initiated a new contract with AT&T to double our internet speeds at the office at a 1/3 cost savings.
MANAGER OF MARKETING AND MEMBER SERVICES	Kim Bush, Manager of Marketing and Member Services reported on the following:
LIHEAP	LIHEAP started November 5, 2018. She will have totals next month for November.
RWE	Since November 2017 we have completed 967 right-of-way easements, recorded 786, sent Jeff Scott 18 in October and recorded 14 in October. Some are not recorded and held due to needed information.
WRITE-OFFS	2018 write-off January through October \$81,075.47 October payments received was \$5,890.85 Total payments for 2018 was \$12,354.41

WRITE-OFFS  
(CONTINUED)

Capital credits to be applied in 2019 is \$20,053.90  
Outstanding balance currently is \$48,667.16  
They are currently utilizing our People Search through Online Utility Exchange to try to find current addresses on any outstanding accounts.

PREPAY

PrePay's to date are:

Active PrePay Accounts	779	Inactive Accounts	13
Average Balance on accounts	- \$43.75 credit		
Average kwh Usage	- 37 a day	Total # of Payments in 30 days	- 3,588
Average Payment	- \$35.09	Total Payment Amount	- \$125,899.52

DEBT MANAGEMENT

We have 63 active accounts with Debt Management.

The total amount in Debt Management is \$ 14,750.09 and there are 4 over \$500.

ENERGY VISITS

Tina has made the following home visits:

Energy Audits= 4 TSE Home= 1 Heat Pump= 1 Billing Insights= 4

ENERGY STAR REBATES

The following Energy Star appliance rebates were filed:

Clothes Washer= 1 Dishwasher= 1 Refrigerator= 2 ES Heat Pump= 2

SOLAR

The solar update given was the same as last month:

Cooperative Solar inquires	=0	Cooperative Solar Sales	=0
Cooperative Solar Total	=97 panels	(no change)	
Total Net Metering Accounts	= 5	Net Metering Inquires	=0

PROGRAMS /  
ANNOUNCEMENTS

December 14 - Service Awards Dinner at the old Olive Hill High School

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.

JOBS BUILT

Construction built one hundred three (103) new workorders (including 23 services added and 5 services retired) for the month of August and worked zero (0) hours of overtime.

DELINQUENT NOTICES

There were 148 delinquents for November. Seventy-three (73) cards were issued to be disconnected and 4 accounts were disconnected by remote meter on November 7 for cycle 1. Seventy-five (75) cards were issued to be disconnected and 14 accounts were disconnected by remote meter on November 15 for cycle 2. Field personnel disconnected a total of 34 meters and a total of 14 meters were reconnected by field personnel and remote.

OVERTIME HOURS

The Maintenance Department worked six hundred seventy-nine (679) hours of overtime. The Engineering Department worked thirteen (13) hours of overtime.



CONTRACT CREWS

We have one (1) Pike crew working in the following areas:

Bob Marrow—Coordination's and Pole Changes various counties

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and workorders at this time. Crew's trimmed 698 trees, cut 600 trees, cut 17,635 feet of brush/line and sprayed 80 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 1 cutting crew in Rowan County
- 2 cutting crews in Lawrence 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 Elliott County

Smith Tree Service, circuit crew on ST RT 486, Elliott County

ENGINEERING REPORT

The Engineering Department released one hundred twenty-nine (129) prints consisting of 2,414 feet of primary line and 1,379 feet of service wire.

They currently have two (2) new services to be staked and two (2) to be drawn. There are eight (8) miscellaneous jobs to be staked or drawn.

SAFETY REPORT

The following safety meetings were held during September:

October 1 – Andrea McCleese, Technical Service Supervisor, stressed the importance of cyber security and showed an example of incorrect web sites. She also reviewed the new outage updates and showed examples of assessments, generators, one shots and broken poles and how important communication is between lineman and dispatchers. Kyle Clevenger requested everyone to be careful, watch over each other and come back safely in the evenings.

October 9 – Brian Poling, Manager of Technical Services, turned the meeting over to Tony Dempsey with KAEC for the monthly safety meeting. Pole top rescue with the linemen was done. Kyle Clevenger requested everyone to be careful.

October 15 – Priscilla Sparks, Executive Assistant, read from the APPA Safety Manual, 503 Vehicle Operation, 503.1 General, 503.2 Inspection of Equipment, and 503.3 Exhaust Gas pages 130 and 131. Kyle Clevenger asked everyone to be careful as it was wet and nasty. Watch over each other and if you see something you do not like call for help.

October 22 – Robert Brown, Geographical Information System Technician, had the meeting. Gina Damron and Kenny Redmond were here to give flu shots to employees and the Hepatitis A booster. Carol Ann Fraley was presented a certificate from the Grayson Journal for The Best Place to Work by Priscilla Sparks and was given a gift from employees for Bosses Day. Kyle Clevenger requested everyone to be careful.

SAFETY REPORT  
(CONTINUED)

October 29, 2018, Sherry Buckler, Manager of Accounting and Human Resources, turned the meeting over to Andrea McCleese. She compared characteristics of safe and high quality organizations, reviewed near miss reporting and criteria for OSHA recordkeeping. She discussed the importance of being proactive versus reactive to safety situations. A handout was given to all employees, "Making It Personal by Adapting Preventions Activities from Work to Home". Kyle Clevenger went over the Safety Investigation regarding Ryan Rice and stated that the safety committee found no safety violations. Kyle requested the men to change out their gloves today.

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 Arrington expressed his concern on chemicals sprayed.

ROBERT BROWN

Robert Brown showed a video using the drone at Mr. John Russell's property, where the roof shows a minor fault in the mast that was pulled out when a tree fell on the electric line. His meter base is built into the house. He lives at the first residence on Tar Camp. When the pine tree fell it broke the phone cable and our line. It pulled on the A1 breaking the electric line. The tree was about 35 feet from the center line.

Inspection by Federated Insurance's Keith Twitty was good. He said it was the best report he had so far this year and he had been in Alabama, Georgia and Tennessee. We are committed to ZERO with Federated.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS 2018.

Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve ninety-three (93) new memberships and retirement of one hundred eighteen (118) existing memberships for October 2018.

BAD DEBT WRITE-OFFS

Motion was made by Director Whitt, seconded by Director Bentley, and unanimously agreed to charge off \$896.97, 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 Whitt, seconded by Director Martin and unanimously agreed to approve the President's business expense of \$162.65, Director's business expenses of \$6,727.70, and Attorney's business expense of \$11,496.71.  
A large portion of the \$11,496.71 is due to easements.

DONATIONS

We received thank you notes from the Rotary Club of Grayson for Funtoberfest and one from Ohio University Southern for the OUS Equestrian Team.

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

West Carter Boys Basketball – Jack Fultz Classic	\$100
Project Merry Christmas of Carter County	<u>\$200</u>
	\$300

DONATIONS (CONTINUED)	Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the donations as presented.
BOARD MEETING DATE	The December Board Meeting will be held on Thursday, December 20, 2018 at 9:00 a.m.
ADDITIONAL BUSINESS	Director Martin made a motion to go into Executive Session at 12:08 p.m.
EXECUTIVE SESSION	Executive Session concluded at 1:20 p.m.
ADJOURN	Chairman Dupuy adjourned the meeting at 1:20 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 24, September 28 and October 1, 2018

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
11/05/18	175777	Visa Expenses	
		Meal expenses:	
		*8/24 – GRECC Board Meeting, Grayson, KY	\$16.39
		* 9/28 – GRECC Board Meeting, Grayson, KY	\$13.85
		*10/01 – Licking Valley Meeting	\$11.76
		Total Expenses	\$42.00

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

October-18

### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (10/26)	\$ 343.60
<b>MISC</b>	-	0.00
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<b>\$ 981.72</b>

### JIM BENTLEY

<b>Per Diem</b>	- GRECC Bd. Mtg. (10/26)	\$ 301.09
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>KAEC</b>	- Subscription RE Magazine	7.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 947.22</b>

### HAROLD DUPUY

<b>Per Diem</b>	- NRECA Region II & III (10/10-12); GRECC Bd. Mtg. (10/26)	\$ 1,909.27
<b>MISC</b>	- NRECA Region II & III	508.24
	Lunch GRECC Bd. Mtg. (8/24)	16.39
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<b>\$ 3,072.23</b>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Bd. Mtg. (10/26)	\$ 308.72
<b>MISC</b>	-	-
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (8/24)	16.39
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<b>\$ 963.82</b>

**ROGER TRENT**

<b>Per Diem</b>	NRECA Region II & III (10/10-12); GRECC Bd. Mtg. (10/26)	\$ 1,752.48
<b>MISC</b>	-	-
<b>VISA</b>	NRECA Region II & III	568.58
	Lunch GRECC Bd. Mtg. (9/28)	13.85
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 2,973.03</u>

**JIMMY WHITT**

<b>Per Diem</b>	NRECA Region II & III (10/10-12); KAEC Bd. Mtg. (10/22); GRECC Bd. Mtg. (10/26)	\$ 2,251.58
<b>MISC</b>	-	-
<b>VISA</b>	NRECA Region II & III	610.53
	KAEC Bd. Mtg.	190.06
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 3,690.88</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	Mileage (Elliott Co Easement)	22.72
<b>Excess Hrs</b>	(6) hrs. PSC South KY Case	1,200.00
	(27.25) hrs. R/W Easements	5,450.00
	(7.75) hrs. Misc.	1,550.00
	(1.5) hrs. Rate Case	300.00
<b>Out-of-Pocket</b>	Recording Fee (Mason/Clark Easement)	49.50
	Record (148) R/W Easements	2,516.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 11,088.22</u>

































# Grayson Rural Electric Financial Report

2018 Board Materials  
861 of 882

December 20, 2018

## At A Glance....

October

<u>kWh Sales (10/01 - 10/30)</u>		<u>Margins</u>	
Month	1.78%	Month	\$ (212,515.76)
YTD	6.28%	YTD	\$ 256,713.30
<u>kWh Purchases (10/01 - 10/30)</u>		<u>TIER</u>	
Month	8.41%	Month	(1.16)
YTD	6.88%	YTD	1.30
<u>Line Loss</u>			
Month	5.32%		
YTD	5.33%		

Fuel Adjustment (0.011874)

ESC 7.68%

Degree Days 392

Heating Degree Days 293

Cooling Degree Days 99

### Notes:

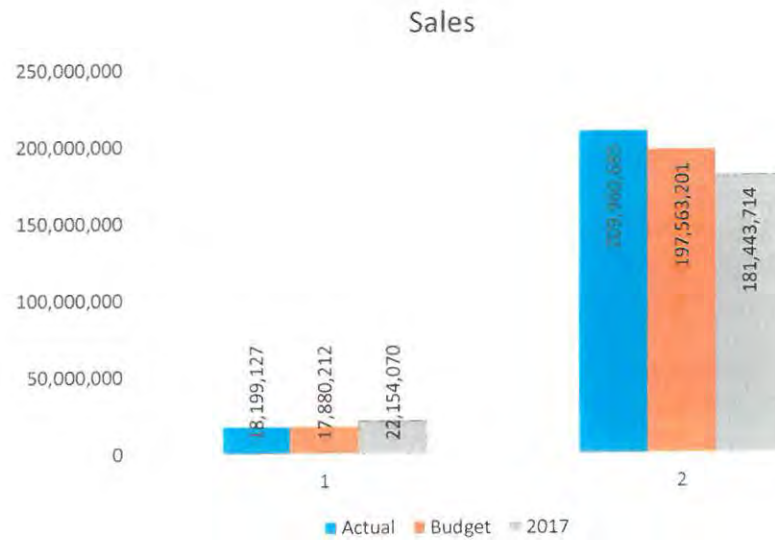
- Capital Credits
- Rate Case Update 2018-00272
- Budget



**Sales**

**October**

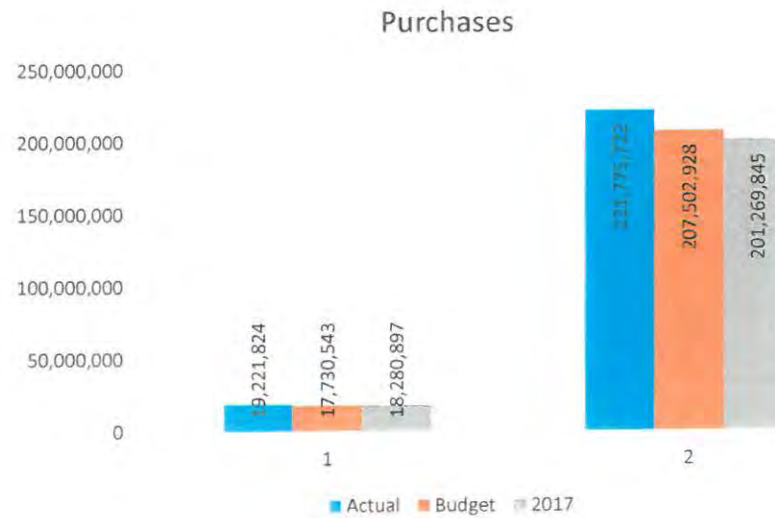
	2018	2017	2017-2015
Actual	18,199,127	22,154,070	18,952,190
Budget	17,880,212		
Difference	318,915 1.78%	(3,954,943) -17.85%	(753,063) -3.97%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	209,960,685	181,443,714	193,676,303
Budget	197,563,201		
Difference	12,397,484	28,516,971	16,284,382
% Difference	6.28%	15.72%	8.41%



**Purchases**

**October**

	2018	2017	2017-2015
Actual	19,221,824	18,280,897	17,548,698
Budget	17,730,543		
Difference	1,491,281 8.41%	940,927 5.15%	1,673,126 9.53%
<hr/>			
	YTD-2018	YTD-2017	YTD-Prev 3
Actual	221,775,722	201,269,845	212,640,899
Budget	207,502,928		
Difference	14,272,794	20,505,877	9,134,823
% Difference	6.88%	10.19%	4.30%







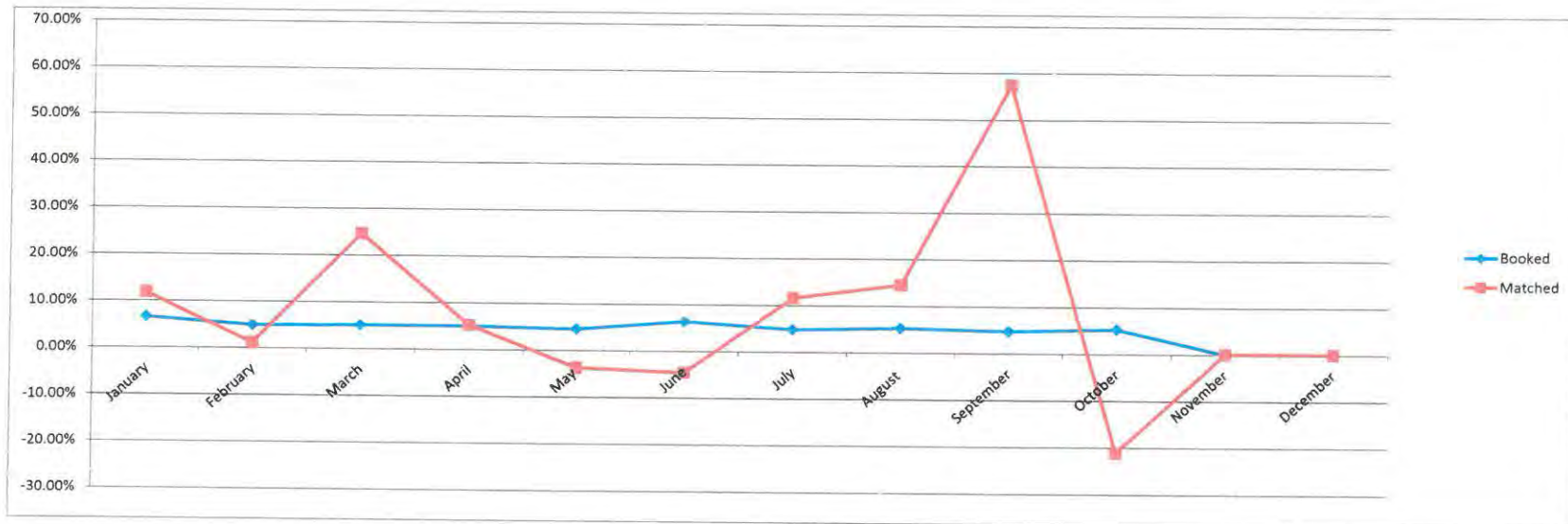
Monthly Operating Revenue & Expenses

	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018	July 2018	August 2018	September 2018	October 2018
Revenue	(2,021,100)	(2,447,561)	(3,266,270)	(3,881,960)	(2,807,042)	(2,979,693)	(2,288,028)	(2,153,347)	(2,187,751)	(2,680,672)	(2,707,645)	(2,414,942)	(2,199,660)
Purchased Power	1,264,064	1,484,948	1,906,642	2,216,790	1,591,359	1,471,013	1,291,915	1,347,719	1,517,138	1,503,128	1,433,429	1,333,079	1,265,931
Gross Margins	(757,036)	(962,613)	(1,359,628)	(1,665,170)	(1,215,683)	(1,508,680)	(996,113)	(805,628)	(670,613)	(1,177,544)	(1,274,216)	(1,081,863)	(933,729)
Operations	126,149	107,779	59,049	153,210	127,137	121,702	121,094	132,952	127,940	107,275	98,351	158,993	116,285
Maintenance	253,612	270,469	291,798	258,693	251,197	325,134	279,989	274,977	302,246	325,625	294,925	335,119	275,067
Customer Service	92,563	89,263	32,891	110,952	95,141	99,702	103,940	106,216	94,086	98,169	105,830	97,342	97,519
Informational Advertising	25,590	23,411	20,760	11,019	23,990	19,398	11,762	15,574	15,238	12,503	18,053	14,962	21,362
Demonstration Advertising	1,688	1,729	2,354	1,977	1,915	1,652	1,694	2,213	1,699	905	1,773	567	1,293
Admin & General	185,069	156,454	149,689	158,335	146,850	157,335	188,694	265,865	158,068	158,346	168,504	166,426	1,291
Depreciation	292,657	293,465	296,622	297,208	297,961	298,586	298,921	299,474	299,295	301,100	302,217	298,569	297,200
Regulatory	4,022	2,009	2,009	3,423	3,423	3,423	3,423	3,423	2,559	2,559	2,559	2,559	2,559
Interest - LTD	83,986	83,895	83,434	90,002	87,196	86,573	111,649	94,467	94,451	95,142	98,872	98,224	98,599
Interest - Deposits	668	664	593	1,408	1,396	1,391	1,391	1,391	1,445	1,423	1,414	1,424	1,435
Miscellaneous Expense	2,249	4,962	4,785	6,712	7,036	9,578	6,266	5,408	2,663	6,167	13,937	11,869	801
Interest Income	(2,465)	(2,454)	(2,474)	(2,469)	(2,463)	(2,424)	(2,465)	(2,465)	(2,455)	(2,452)	(2,472)	(2,513)	(2,478)
Non-Electric Revenue	(2,224)	(191)	(4,283)	1,535	47	(9,053)	(1,783)	582	(2,190)	(1,959)	(22,238)	(1,166)	(599)
Capital Credits	-	-	-	-	(2,354)	(68,289)	-	-	-	-	(35,087)	(2,274)	-
Margins	306,529	68,841	(422,400)	(573,165)	(177,210)	(463,971)	128,463	394,450	424,432	(72,750)	-	98,238	212,518
* ( )'s = positive margins													
Operating Expenses	1,068,254	1,034,099	943,985	1,092,938	1,043,244	1,124,476	1,128,823	1,201,963	1,099,689	1,109,213	1,106,436	1,186,054	1,149,321
Monthly TIER	(2.65)	0.18	6.06	7.37	3.03	6.36	(0.15)	(3.18)	(3.49)	1.76	3.30	(0.00)	(1.16)
Revenue	(27,702,638)	(27,304,343)	(27,461,142)	(28,596,002)	(28,938,512)	(29,888,584)	(30,185,789)	(30,045,070)	(29,636,079)	(29,768,361)	(30,237,157)	(31,836,011)	(32,014,571)
Purchased Power	16,945,189	17,085,873	17,151,603	17,616,913	17,796,694	17,848,092	18,001,600	18,146,334	18,252,872	18,193,236	18,164,663	18,361,224	18,363,091
Gross Margins	(10,757,449)	(10,218,470)	(10,309,539)	(10,979,089)	(11,141,818)	(12,038,492)	(12,164,183)	(11,898,736)	(11,383,207)	(11,575,115)	(12,072,494)	(13,474,787)	(13,651,480)
Operations	1,312,179	1,312,520	1,299,965	1,328,118	1,347,802	1,359,607	1,340,835	1,371,826	1,397,164	1,388,356	1,382,561	1,441,631	1,431,767
Maintenance	3,386,407	3,439,976	3,424,805	3,382,188	3,372,638	3,379,558	3,372,897	3,360,487	3,359,363	3,330,357	3,375,194	3,463,785	3,485,240
Customer Service	1,024,175	1,012,461	1,070,976	1,078,542	1,081,421	1,083,992	1,095,572	1,105,770	1,104,811	1,108,900	1,123,060	1,126,086	1,131,052
Informational Advertising	254,717	259,840	260,150	249,434	251,272	249,512	241,596	230,186	229,033	225,044	224,265	212,280	208,032
Demonstration Advertising	20,862	21,026	22,103	21,766	22,039	21,526	21,469	21,415	21,626	21,189	21,089	20,166	19,771
Admin & General	2,019,122	1,978,857	1,955,130	1,957,256	1,961,741	1,955,831	2,003,064	2,102,218	2,061,491	2,069,213	2,076,900	2,059,636	2,105,768
Depreciation	3,454,212	3,464,381	3,477,092	3,489,397	3,501,849	3,513,712	3,524,341	3,534,829	3,544,421	3,555,232	3,569,711	3,578,075	3,580,618
Regulatory	43,743	42,410	41,074	41,108	41,142	41,176	41,210	41,244	39,781	38,318	36,855	35,392	33,929
Interest - LTD	948,755	957,790	980,167	982,553	996,207	1,010,095	1,041,614	1,056,893	1,071,890	1,081,503	1,094,698	1,107,891	1,122,504
Interest - Deposits	7,431	7,717	7,941	8,683	9,414	10,143	10,889	11,596	12,360	13,115	13,869	14,612	21,379
Miscellaneous Expense	34,447	33,456	35,148	35,746	36,893	48,372	53,634	58,349	59,248	63,865	73,842	81,631	80,183
Interest Income	(33,804)	(33,809)	(33,944)	(33,972)	(33,468)	(30,223)	(30,004)	(29,854)	(29,710)	(29,635)	(29,581)	(29,580)	(29,593)
Non-Electric Revenue	(101,763)	(95,942)	(94,790)	(92,008)	(82,067)	(88,429)	(81,682)	(78,841)	(75,137)	(73,757)	(72,518)	(42,923)	(41,298)
Capital Credits	(87,795)	(87,795)	(87,795)	(87,795)	(87,795)	(104,968)	(104,968)	(104,968)	(104,449)	(104,444)	(139,531)	(108,004)	(108,004)
Margins	1,525,239	2,094,417	2,048,484	1,381,929	1,277,615	411,413	366,266	782,405	1,308,690	1,112,141	877,991	(516,118)	(610,132)
Operating Expense	12,506,049	12,530,434	12,574,553	12,574,792	12,625,118	12,673,526	12,747,102	12,894,804	12,901,189	12,895,092	12,992,115	13,139,176	13,220,243
Rolling 12 Month TIER	(0.61)	(1.19)	(1.09)	(0.41)	(0.28)	0.59	0.65	0.26	(0.22)	(0.03)	0.38	1.47	1.54





2018		January	February	March	April	May	June	July	August	September	October	November	December	Total 2018
<b>Sales</b>		29,890,386.00	20,404,009.00	22,652,786.00	18,191,282.00	18,672,858.00	19,722,806.00	22,170,561.00	21,279,777.00	18,777,093.00	18,199,127.00			
<b>2017</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	7,502,112.00	22,154,070.00			
<b>Purchases:</b>														
<b>2018</b>		31,976,733.00	21,453,194.00	23,854,523.00	19,151,173.00	19,574,226.00	21,059,385.00	23,303,579.00	22,466,204.00	19,714,881.00	19,221,824.00			221,775,722.00
<b>2017</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	17,591,772.00	18,280,898.00			201,269,846.00
<b>kWh Loss</b>														
<b>2018</b>		2,086,347.00	1,049,185.00	1,201,737.00	959,891.00	901,368.00	1,336,579.00	1,133,018.00	1,186,427.00	937,788.00	1,022,697.00	0.00	0.00	11,815,037.00
<b>2017</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	10,089,660.00	-3,873,172.00	0.00	0.00	19,826,132.00
<b>% Line Loss</b>														
<b>2018</b>		6.52%	4.89%	5.04%	5.01%	4.60%	6.35%	4.86%	5.28%	4.76%	5.32%	#DIV/0!	#DIV/0!	5.33%
<b>2017</b>		11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	57.35%	-21.19%	#DIV/0!	#DIV/0!	8.94%





## Margins/Tier

### September

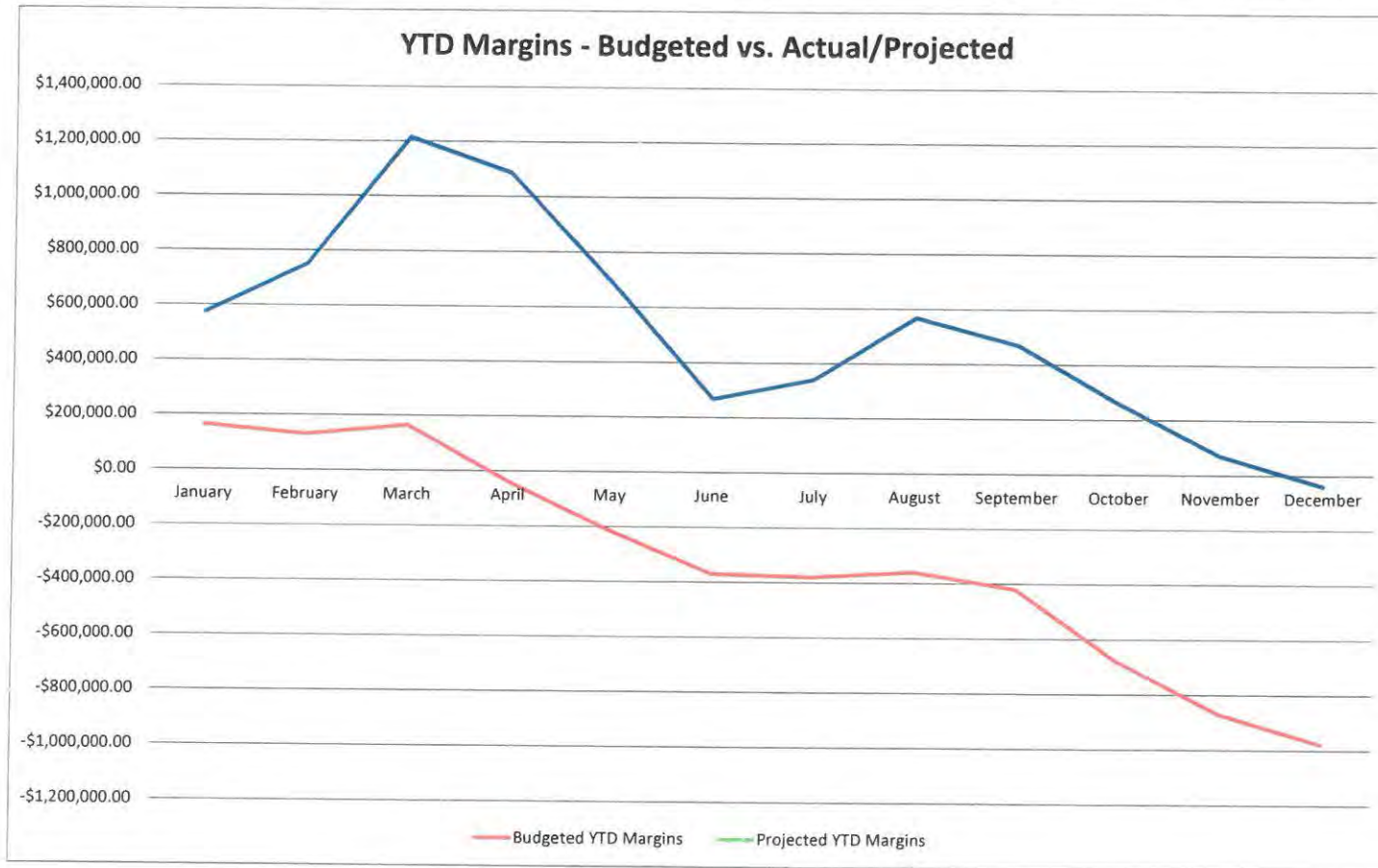
	2018	2017	2017-2015
Revenue	(2,199,660)	(2,021,100)	(2,124,874)
Purchase Power	1,265,931	1,264,064	1,200,262
<i>Gross Margins</i>	(933,729)	(757,036)	(924,612)
Operating Expenses	1,149,321	1,068,254	1,031,844
Margins	212,516	306,529	97,642
TIER	(1.16)	(2.65)	(0.16)

### Year to Date

	2018	2017	2017-2015
Revenue	(26,300,740)	(21,747,311)	(23,913,284)
Purchase Power	14,971,501	13,760,013	14,649,116
<i>Gross Margins</i>	(11,329,239)	(7,987,298)	(9,264,167)
Operating Expenses	11,242,158	10,596,468	10,514,038
Margins	(256,574)	2,402,043	1,039,793
TIER	1.30	-1.96	-0.34



	2018 Monthly Margins			2018 YTD Margins			2018 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48	\$162,513.23	\$410,652.25	\$573,165.48
February	\$177,209.52	-\$33,201.77	\$210,411.29	\$750,375.00	\$129,311.46	\$621,063.54	\$750,375.00
March	\$463,971.94	\$34,628.23	\$429,343.71	\$1,214,346.94	\$163,939.69	\$1,050,407.25	\$1,214,346.94
April	-\$128,462.61	-\$203,632.77	\$75,170.16	\$1,085,884.33	-\$39,693.08	\$1,125,577.41	\$1,085,884.33
May	-\$394,310.81	-\$176,183.77	-\$218,127.04	\$691,573.52	-\$215,876.85	\$907,450.37	\$691,573.52
June	-\$424,431.80	-\$155,336.77	-\$269,095.03	\$267,141.72	-\$371,213.62	\$638,355.34	\$267,141.72
July	\$72,750.23	-\$9,898.77	\$82,649.00	\$339,891.95	-\$381,112.39	\$721,004.34	\$339,891.95
August	\$227,575.48	\$20,126.23	\$207,449.25	\$567,467.43	-\$360,986.16	\$928,453.59	\$567,467.43
September	-\$98,238.37	-\$60,686.77	-\$37,551.60	\$469,229.06	-\$421,672.93	\$890,901.99	\$469,229.06
October	-\$212,515.76	-\$260,909.77	\$48,394.01	\$256,713.30	-\$682,582.70	\$939,296.00	\$256,713.30
November	\$0.00	-\$189,227.77			-\$871,810.47		\$67,485.53
December	\$0.00	-\$107,366.41			-\$979,176.88		-\$39,880.88





2018				2017			
October Bill				October Bill			
	Average	HDD	CDD	HDD	CDD	Average	
1-Oct	72	0	7	6	0	59	1-Oct
2-Oct	75	0	10	5	0	60	2-Oct
3-Oct	76	0	11	1	0	64	3-Oct
4-Oct	77	0	12	0	1	66	4-Oct
5-Oct	73	0	8	0	5	70	5-Oct
6-Oct	77	0	12	0	5	70	6-Oct
7-Oct	78	0	13	0	8	73	7-Oct
8-Oct	77	0	12	0	5	70	8-Oct
9-Oct	75	0	10	0	10	75	9-Oct
10-Oct	69	0	4	0	9	74	10-Oct
11-Oct	60	5	0	0	6	71	11-Oct
12-Oct	52	13	0	2	0	63	12-Oct
13-Oct	47	18	0	0	1	66	13-Oct
14-Oct	52	13	0	0	3	68	14-Oct
15-Oct	58	7	0	0	1	66	15-Oct
16-Oct	49	16	0	12	0	53	16-Oct
17-Oct	53	12	0	14	0	51	17-Oct
18-Oct	46	19	0	11	0	54	18-Oct
19-Oct	51	14	0	8	0	57	19-Oct
20-Oct	53	12	0	3	0	62	20-Oct
21-Oct	41	24	0	2	0	63	21-Oct
22-Oct	47	18	0	2	0	63	22-Oct
23-Oct	55	10	0	5	0	60	23-Oct
24-Oct	48	17	0	14	0	51	24-Oct
25-Oct	45	20	0	20	0	45	25-Oct
26-Oct	49	16	0	20	0	45	26-Oct
27-Oct	49	16	0	8	0	57	27-Oct
28-Oct	54	11	0	17	0	48	28-Oct
29-Oct	48	17	0	26	0	39	29-Oct
30-Oct	51	14	0	20	0	45	30-Oct
31-Oct	64	1	0	17	0	48	31-Oct
	58.7	293	99	213	54	59.9	
		392		267			

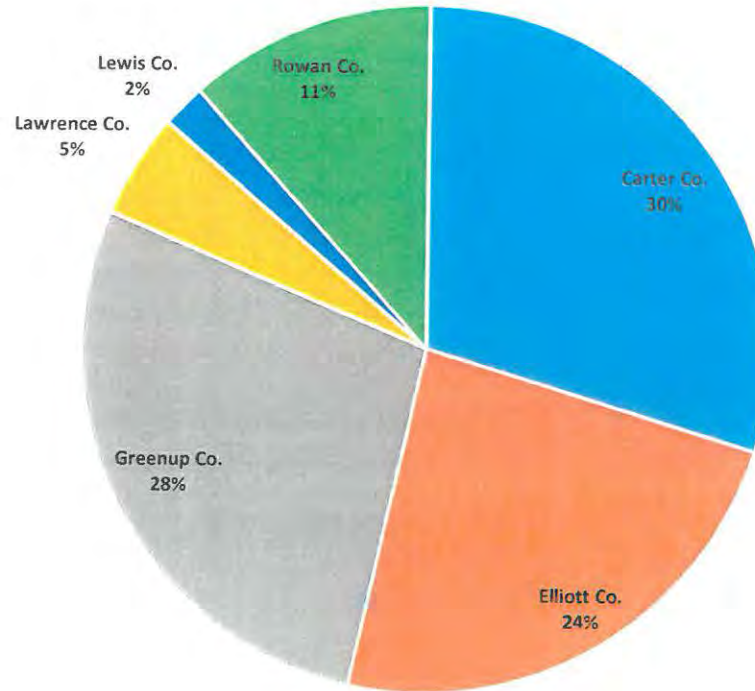




**Bills by County**

	Oct-18	Sep-18	Aug-18	Jul-18	Jun-18	May-18	Apr-18	Mar-18	Feb-18	Jan-18	Dec-17	Nov-17	Oct-17
Carter Co.	4,578	4,629	4,595	4,602	4,589	4,601	4,585	4,581	4,591	4,590	4,585	4,618	4,572
Elliott Co.	3,645	3,660	3,657	3,667	3,655	3,689	3,660	3,661	3,668	3,666	3,646	3,671	3,662
Greenup Co.	4,296	4,293	4,302	4,293	4,262	4,292	4,274	4,272	4,280	4,281	4,286	4,339	4,319
Lawrence Co.	761	770	761	761	763	761	766	768	768	774	780	785	774
Lewis Co.	318	323	321	314	315	311	316	310	317	313	316	312	316
Rowan Co.	1,786	1,771	1,764	1,768	1,789	1,778	1,765	1,772	1,761	1,765	1,777	1,790	1,770
	15,384	15,446	15,400	15,405	15,373	15,432	15,366	15,364	15,385	15,389	15,390	15,515	15,413

**# of Bills  
October 2018**





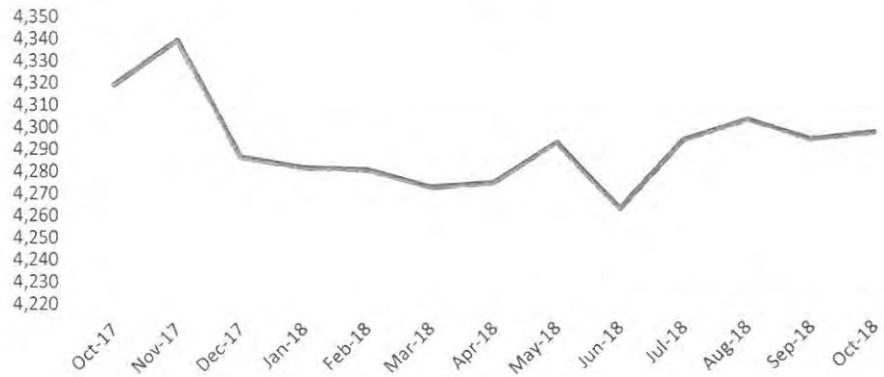
Carter Co.



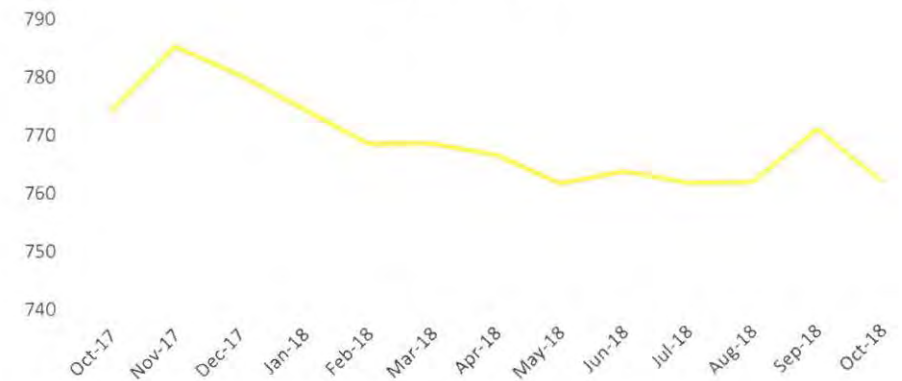
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**OCTOBER 2018**

**219 ANALYSIS**

<u>W/O</u>							<u>BUDGETED</u>
<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		17		162.18	(162.18)	
100	NEW LINE EXTENSIONS		19		47,425.23	47,425.23	2,496.06
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		4		5,645.13	5,645.13	1,411.28
603	SECTIONALIZERS		16		88,763.45	88,763.45	
604	REGULATORS						
606	POLES		30	POLES	127,818.37	127,818.37	4,260.61
701	SECURITY LIGHTS		52		31,502.99	31,502.99	605.83
1600	MINOR PROJECTS		8		39,838.96	39,838.96	
	<b>TOTAL</b>		<b>144</b>		<b>341,156.31</b>	<b>340,831.95</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	0		0.00	0.00	0.00
	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
	<b>TOTAL</b>		<b>0</b>		<b>0.00</b>	<b>0.00</b>	
	MATERIAL				<b>54,325.41</b>		
	MATERIAL OH				<b>41,186.02</b>		
	LABOR				<b>31,188.49</b>		
	LABOR OH				<b>51,510.19</b>		



**REVENUE SUMMARY  
OCTOBER 2018**

	<b>ENERGY</b>	<b>FUEL</b>	<b>LIGHTS</b>	<b>GREEN POWER</b>	<b>PRE-PAY FEE</b>	<b>SUR-CHARGE</b>	<b>SUB-TOTAL</b>	<b>PENALTY</b>	<b>SALES TAX</b>
<b>44010 RESIDENTIAL</b>									
Class 10 (All Electric Mobile Home)	\$ 277,892.62	\$ (13,876.98)	\$ 5,361.88	\$ 13.75	\$ 2,878.12	\$ 20,839.41	\$ 293,108.80	\$ 7,157.55	\$ -
Class 11 (Non-Electric House)	\$ 283,143.79	\$ (15,301.87)	\$ 10,355.75	\$ 24.75	\$ 1,241.93	\$ 21,643.87	\$ 301,108.22	\$ 5,443.65	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 62,821.03	\$ (3,080.51)	\$ 1,445.98	\$ 5.50	\$ 716.76	\$ 4,733.39	\$ 66,642.15	\$ 1,382.96	\$ -
Class 14 (All Electric House)	\$ 753,560.39	\$ (42,223.15)	\$ 18,414.08	\$ 71.50	\$ 3,087.81	\$ 56,781.79	\$ 789,692.42	\$ 14,706.87	\$ 19.7
Class 61 (Security Light)	\$ -	\$ (67.32)	\$ 1,382.03	\$ 2.75	\$ -	\$ 102.62	\$ 1,420.08	\$ 19.39	\$ 1.2
<b>44010 TOTALS</b>	<b>\$ 1,377,417.83</b>	<b>\$ (74,549.83)</b>	<b>\$ 36,959.72</b>	<b>\$ 118.25</b>	<b>\$ 7,924.62</b>	<b>\$ 104,101.08</b>	<b>\$ 1,451,971.67</b>	<b>\$ 28,710.42</b>	<b>\$ 21.0</b>
<b>44040 GENERAL SALES</b>									
Class 12 (Camps & Barns)	\$ 17,152.35	\$ (545.39)	\$ 441.12	\$ -	\$ -	\$ 1,331.75	\$ 18,379.83	\$ 271.22	\$ -
Class 15 (Camps)	\$ 19,589.88	\$ (612.89)	\$ 301.17	\$ -	\$ 74.64	\$ 1,502.43	\$ 20,855.23	\$ 583.60	\$ -
Class 16 (Barns)	\$ 18,485.24	\$ (462.48)	\$ 719.66	\$ -	\$ 30.99	\$ 1,461.69	\$ 20,235.10	\$ 431.45	\$ 2.6
Class 17 (Garages, Out-buildings)	\$ 40,056.13	\$ (1,150.85)	\$ 1,075.12	\$ -	\$ 64.06	\$ 3,119.76	\$ 43,164.22	\$ 608.45	\$ 139.8
Class 18 (Meters on Poles)	\$ 6,388.64	\$ (187.59)	\$ 203.62	\$ -	\$ 20.66	\$ 499.63	\$ 6,924.96	\$ 134.80	\$ 35.8
Class 19 (Un-Inhabitable Houses)	\$ 819.06	\$ (20.86)	\$ 39.09	\$ -	\$ -	\$ 65.40	\$ 902.69	\$ 16.16	\$ -
Class 20 (Miscellaneous)	\$ 1,370.86	\$ (30.27)	\$ 57.88	\$ -	\$ 10.33	\$ 108.53	\$ 1,517.33	\$ 13.11	\$ -
<b>44040 TOTALS</b>	<b>\$ 103,862.16</b>	<b>\$ (3,010.33)</b>	<b>\$ 2,837.66</b>	<b>\$ -</b>	<b>\$ 200.68</b>	<b>\$ 8,089.19</b>	<b>\$ 111,979.36</b>	<b>\$ 2,058.79</b>	<b>\$ 178.3</b>
<b>44210 SMALL COMMERCIAL</b>									
Class 25 (Small Commercial<50KVA)	\$ 142,998.42	\$ (8,085.65)	\$ 3,548.96	\$ 5.50	\$ -	\$ 10,814.09	\$ 149,281.32	\$ 3,975.41	\$ 6,708.5
Class 26 (Security Light)	\$ -	\$ (12.25)	\$ 293.40	\$ -	\$ -	\$ 21.95	\$ 303.10	\$ 7.34	\$ 14.7
Class 28 (Churches)	\$ 13,234.21	\$ (681.87)	\$ 1,589.51	\$ -	\$ -	\$ 1,104.47	\$ 15,246.32	\$ 62.56	\$ 297.3
<b>44210 TOTALS</b>	<b>\$ 156,232.63</b>	<b>\$ (8,779.77)</b>	<b>\$ 5,431.87</b>	<b>\$ 5.50</b>	<b>\$ -</b>	<b>\$ 11,940.51</b>	<b>\$ 164,830.74</b>	<b>\$ 4,045.31</b>	<b>\$ 7,020.7</b>
<b>44220 LARGE POWER</b>									
Class 46 (Large Commercial<50KVA)	\$ 195,473.72	\$ (14,880.68)	\$ 950.91	\$ -	\$ -	\$ 14,178.38	\$ 195,722.33	\$ 3,327.90	\$ 6,954.5
Class 47 (Pumping Station)	\$ 94.35	\$ (2.81)	\$ -	\$ -	\$ -	\$ 7.15	\$ 98.69	\$ -	\$ 5.9
Class 79 (All Electric School)	\$ 35,087.37	\$ (2,567.06)	\$ 476.07	\$ -	\$ -	\$ 2,577.03	\$ 35,573.41	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 230,655.44</b>	<b>\$ (17,450.55)</b>	<b>\$ 1,426.98</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,762.56</b>	<b>\$ 231,394.43</b>	<b>\$ 3,327.90</b>	<b>\$ 6,960.4</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>									
Class 74 (Smithfield & Elliott Co. Prison))	\$ 155,182.99	\$ (17,800.82)	\$ 28.94	\$ -	\$ -	\$ 10,731.80	\$ 148,142.91	\$ -	\$ 6,077.8
<b>44230 TOTALS</b>	<b>\$ 155,182.99</b>	<b>\$ (17,800.82)</b>	<b>\$ 28.94</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,731.80</b>	<b>\$ 148,142.91</b>	<b>\$ -</b>	<b>\$ 6,077.8</b>
<b>44400 STREET LIGHTS</b>									
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (26.61)	\$ 598.88	\$ -	\$ -	\$ 44.69	\$ 616.96	\$ (64.46)	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (26.61)</b>	<b>\$ 598.88</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44.69</b>	<b>\$ 616.96</b>	<b>\$ (64.46)</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,023,351.05</b>	<b>\$ (121,617.91)</b>	<b>\$ 47,284.05</b>	<b>\$ 123.75</b>	<b>\$ 8,125.30</b>	<b>\$ 151,669.83</b>	<b>\$ 2,108,936.07</b>	<b>\$ 38,077.96</b>	<b>\$ 20,258.44</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,214,632.94</b>	

