

Excerpt from December 22, 2021 Board Minutes concerning Proposed Bylaw Change to elect a 6-person board:

Each member at an annual meeting or other duly called meeting shall be required to present identification to the duly designated employees of the Cooperative in charge of the membership roster. After it is ascertained that he, she or it is a member in good standing, official identification credentials indicating same will be issued. Only those persons identifying themselves by the use of proper credentials may vote. (Amended 9/16/88)

**SECTION 6. ORDER OF BUSINESS.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, ~~except~~ as otherwise determined by the members at such meeting:

1. Report on the number of members present in person in order to determine the existence of a quorum;
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon;
4. Presentation and consideration of report of officers, trustees and committees;
5. Report on the election of board members;
6. Unfinished business;
7. New business;
8. Adjournment.

No proposal shall be voted upon at the annual meeting unless it has been placed on the agenda at least forty days prior to such meeting. Any legitimate proposal may be placed on the agenda by any member by filing a copy of the proposal with the secretary within the time allowed, with a request that it be submitted to the annual meeting for consideration. (Amended 12/21/94)

**SECTION 7. PARLIAMENTARY PROCEDURES.** Unless otherwise directed by the Board prior to the membership meeting or meetings, Roberts Rule of Order shall apply. (Amended 9/24/82)

#### ARTICLE IV BOARD MEMBERS

**SECTION 1. GENERAL POWERS.** The business and affairs of the Cooperative shall be managed by a board of not less than five (5) nor more than ~~seven-six (7-6)~~ members, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these bylaws conferred upon or reserved to the members. (Amended ~~3-22-49~~12/22/21)

4 Updated 22 ~~March~~ December 20192021

**SECTION 2. ELECTION AND TENURE OF OFFICE.** The persons named as Directors in the Articles of Incorporation shall be elected at the annual meeting of the members in the year 1951 by and from the members. These elected directors shall serve on the staggered term basis as three directors shall serve one year, two directors shall serve two years and two directors shall serve three years. The elected directors of 1951 shall decide which directors will serve the different terms. Thereafter each director elected shall serve a term of four (4) years. At the time specified herein each year no more than two (2) directors shall be elected by mail ballot by and from the members to serve for a period of four (4) years or until successors shall have been elected and qualified. [Two (2) of said directors shall be elected from Greenup and/or Lewis Counties and ~~two-one (1)~~ of said directors shall be elected from Elliott County and one (1) of said directors shall be elected from Carter County and one (1) of said directors shall be elected from Rowan County and one (1) of said directors shall be elected from Lawrence County. (Amended ~~8-28-03~~12/22/21)

~~Beginning in the year 2004 on January 1, 2022, one (1) director shall be elected from Lawrence-Carter County and one (1) director shall be elected from Elliott-Rowan County. In 2005 2023 will be a vacant election year. In 2024, two-one (1) directors shall be elected from Greenup Lawrence and/or Lewis County and one (1) director shall be elected from Elliott County.ies. In 2006 2025, two (2) directors shall be elected from Greenup and/or Lewis Counties.; a director will be elected from Carter County; one director will be elected from Elliott County and one director will be elected from Rowan County. Every fourth year will be a vacant election year. This will continue the director rotation established director rotation beginning in 2004 as allowed by Legislative action in July 2003. (Adopted ~~8-28-03~~12/22/21)~~

Only members with service located in the county from which a director is to be elected will be eligible to vote. (Amended 12/18/98)

No one county of the counties served by the Cooperative may have more than two (2) directors on the Board of Directors at any one time. The results of such elections shall be reported at each annual meeting of members. (Amended 5/29/98)

**SECTION 3. QUALIFICATIONS.** ~~Any person~~ who desires to be eligible to become or remain a board member of the Cooperative must:

- (a) be a member of the Cooperative;
- (b) be a natural person;
- (c) ~~reside~~ reside on Grayson RECC lines in the county from which he or she is seeking election and be a resident of that county as of January 1 of the year in which he or she is seeking election; and remain a member and resident

Motion was made by Director Bentley and seconded by Director Trent and unanimously approved to rescind the motion made on the Bylaw changes dated October 29, 2021 and adopt the above Bylaw changes.

Excerpt from November 23, 2020 Board Minutes concerning proposed change to the employee RS Plan.

**RESOLUTION TO AMEND RS PLAN** Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the resolution to amend the RS Plan from 2.0 to 1.7 benefit level for new employees

The resolution follows:

**RESOLUTION  
AUTHORIZING THE AMENDMENT OF THE  
RETIREMENT SECURITY PLAN  
RUS#: 18061-001 & 18061-002**

**WHEREAS**, Grayson RECC is participating in the NRECA-sponsored defined benefit plan, the Retirement Security Plan (the "RS Plan"), and;

**WHEREAS**, The Board of Directors of Grayson RECC ("the Board") now desires to amend the RS Plan pursuant to Section 18.02 of the RS Plan and does hereby authorize the amendments effective December 1, 2020 by executing the appropriate Adoption Agreements;

**BE IT RESOLVED**, that effective December 1, 2020, the RS Plan for 18061-001 is divided into two plans. A separate plan 18061-001A is formed for employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020. And a new RS Plan 18061-001B is established for employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020.

**BE IT FURTHER RESOLVED**, that the RS Plan for 18061-001A shall mirror the RS Plan provisions for 18061-001 in effect through November 30, 2020, except as follows:

18061-001A RS Plan:

- Eligible Employees are employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020
- Ineligible Employees are:
  - Employees of Grayson RECC covered by a collective bargaining agreement
  - Employees who are hired, rehired, or transferred to Grayson RECC on or after December 1, 2020

**BE IT FURTHER RESOLVED**, that the RS Plan for 18061-001B shall mirror the RS Plan provisions for 18061-001 in effect through November 30, 2020, except as follows:

18061-001B RS Plan:

- Eligible Employees are employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC on or after December 1, 2020
- Ineligible Employees are:
  - Employees of Grayson RECC covered by a collective bargaining agreement
  - Employees who are hired, rehired, or transferred to Grayson RECC before December 1, 2020
- The retirement benefit payable to a Participant who retires on his/her Normal Retirement date, computed as a Joint and Spouse Annuity, shall be equal to 1.7% of the Participant's Final Average Earnings multiplied by years of Benefit Service accrued after November 30, 2020, plus the Participant's accrued benefit before December 1, 2020 (if any), derived in accordance with section 7(a) (ii) of the Retirement Security Plan Adoption Agreement and the Specifications of the Retirement Security Plan.

Participants who are rehired on or after December 1, 2020 shall be ineligible for the retirement plan provisions applicable to employees hired before December 1, 2020. Participants transferring from another Participating System on or after December 1, 2020, shall be ineligible for the retirement plan provisions applicable to employees hired before December 1, 2020.

**BE IT FURTHER RESOLVED**, that the Board recognizes that certain nondiscrimination tests will be required to be performed with respect to these plan amendments. The Board further recognizes that any corrective action necessitated as a result of annual nondiscrimination testing would likely entail additional contributions for which the Co-op agrees to retain liability.

**BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Bradley Cherry, the Interim President & CEO, 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, Jim Bentley, 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 of Grayson RECC, held on the 23<sup>rd</sup> day of November, 2020 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 RECC this 23<sup>rd</sup> day of November, 2020.

(Seal)

  
(Signature of Secretary)









# Financial Policy Statement

For

**Grayson RECC**

Date: October 1, 2022

**THIS MATERIAL IS INTENDED TO SERVE AS A GENERAL GUIDE TO AID IN THE DRAFTING OF A FINANCIAL POLICY STATEMENT. CFC MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE EFFECTIVENESS OF ANY SPECIFIC FINANCIAL POLICY STATEMENT DRAFTED USING THIS MATERIAL.**

**Note:** Be aware of RUS requirements regarding incorporating financial policy statement financial goals into your cooperative's 10-year financial forecast.



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## Section I: Purpose

The purpose of the Financial Policy is to provide guidelines and direction from the Board of Directors (hereinafter “Board”) to Management in order to maintain a sound financial position and provide for the security of the financial resources of the Cooperative.

The Cooperative is organized under the laws of the State of Kentucky and will at all times be operated on a cooperative not-for-profit basis for the mutual benefit of its Members. In addition to these legal requirements, the Cooperative is guided in its operations by regulations and operational practices prescribed by various regulatory bodies and/or lender(s). Beyond these legal, regulatory, and lending requirements, the Cooperative has an obligation to its members to ensure the financial integrity of the Cooperative so that it can provide high quality electric service at the lowest possible long-term cost consistent with prudent business practices not only for today, but long into the future.

## Section II: Responsibilities

**Review and Approval by the Board.** The Board is responsible for: (1) reviewing, discussing, and evaluating the cooperative’s CEO/General Manager (hereinafter “Manager”) recommendations for the Financial Policy; (2) approving the Financial Policy as presented or amended; (3) reviewing and evaluating this Policy annually; (3) revising this Policy as circumstances warrant.

**Implementation of the Policy.** The Manager is responsible for implementing this Policy and for overseeing development of the practices and procedures necessary to maintain the financial integrity of the Cooperative.

**Recommendations to the Board.** The Manager is responsible for recommending revisions to this Policy to the Board as circumstances warrant.

**Compliance with the Policy.** The Board and Manager are responsible for the assuring compliance with this Policy.

### Section III: Planning Documents

In order to maintain a sound financial position and provide for the most effective management and security of the financial resources of the Cooperative, the Board directs the Manager to create and/or update or see to the creation and/or updating of the following planning reports and documents (hereinafter “reports”). These reports shall be created/updated on a regular basis with frequencies no less than the timeframes in the table below. All reports shall be reviewed and approved by the Board. Note that from time to time there may be other planning reports not included below that may be necessary to meet this policy’s intent.

<b>Planning Report Description*</b>	<b>To Be Created/Updated with frequencies no less than the following*</b>
Wholesale Power Contract	<i>As Necessary</i>
Load Forecast Study (formerly PRS)	<i>2 Years</i>
Long Range Construction Plan	<i>10 Years</i>
Construction Work Plan	<i>4 Years</i>
Cooperative Strategic Plan	<i>4 Years</i>
10 Year Financial Forecast	<i>Annually</i>
Capital Budget	<i>Annually</i>
Operating Budget	<i>Annually</i>

*\*Note: The above planning reports and time periods shall be changed as recommended by the Manager and approved by the Board*

The Cooperative shall use all resources at its disposal to assist in preparing the aforementioned planning reports. These resources shall include, but are not limited to: annual independent audit; CFC Key Ratio Trend Analysis (KRTA); historical operating statements, balance sheets and cash flow analyses; and cost of service study.

## **Section IV: Financial Goals and Parameters**

The Board directs Management to operate the Cooperative so that its financial operating results are within the following goals and parameters as established by the Board.

Cooperative management shall review these financial goals and parameters annually and recommend changes to the Board, if necessary.

### **Equity Ratio**

In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, management shall strive to achieve the following equity ratio(s):

Achieve a minimum equity ratio of 27%. Once the minimum equity ratio has been achieved, The Cooperative will maintain an equity ratio between 27% and 45%. Equity ratio is defined as Total Margins & Equity divided by Total Assets & Other Debits, as calculated by KRTA ratio 16, on a consolidated basis.

### **Patronage Capital**

The Cooperative shall allocate and retire patronage capital dividends in a manner that: (1) is consistent with all legal and regulatory requirements; (2) consistent with operating on a cooperative basis under federal tax law; (3) is fair and reasonable to the Cooperative's members and former members; (4) provides the Cooperative with sufficient equity and capital to operate effectively and efficiently; (5) is in compliance with debt covenants; and (6) protects the Cooperative's financial integrity. The Cooperative shall not retire any patronage dividends until the Board first determines that the retirement will not adversely impact the Cooperative's financial condition. Subject to applicable law, the Cooperative's Articles of Incorporation, and the Cooperative's bylaws, the allocation and retirement of patronage dividends are at the sole discretion of the Cooperative's Board.

Refer to Board Policy # 204, 205 and 206 regarding specific allocation and retirement guidelines for patronage capital dividends.

### **Coverage ratios**

In order to minimize liquidity and insolvency risk, management shall strive to achieve the following coverage ratio(s):

#### **CFC**

In accordance with the mortgage requirements of *NRUCFC*, The cooperative shall maintain a minimum MDSC (2 of 3 year high average) of 1.35. MDSC (2 of 3 year high average) is defined as the average of the high two MDSC ratios of the last three years, as calculated by KRTA ratio 11.

#### **Other**

The cooperative shall maintain a minimum OTIER of 1.10. OTIER is defined as the average of the high two OTIER ratios of the last three years, as calculated by KRTA ratio 8.

*Note: In addition to the coverage ratio above, select other coverage ratios including but not limited to the following CFC KRTA ratios:*

- TIER (2 of 3 year high average), KRTA 7
- OTIER, KRTA 8
- MDSC (2 of 3 year high average), KRTA 11
- DSC (2 of 3 year high average), KRTA 13

**Short-Term Debt**

- The Cooperative shall maintain a line-of-credit for short-term operating purposes in an amount not to exceed \$4,200,000.
- The Manager shall consider and discuss establishing a line-of-credit for interim or bridge financing with the board on a case-by-case basis.
- The Manager is authorized to establish emergency lines-of-credit as necessary to support the capital and operating needs of storm recovery efforts.

**Long-Term Debt – Variable and Fixed**

The aggregate amount of all loans drawn and available to be drawn by the Cooperative shall not exceed the maximum debt limit (MDL) established by the Board as contained in the Cooperative’s mortgage documents.

**Debt Portfolio Management**

The Manager shall establish a policy regarding the management of the cooperative’s long-term debt portfolio including the development of target percentages for various loan types (see the following table as an example). The Manager shall report to the board the status of the debt portfolio on a regular basis.

Loan Type	Current Percentage	Target Percentage	
		From	To
<b>1) Short Term Debt (Line of Credit)</b>			
<b>2) Long Term Variable</b>			
<b>3) Total Long Term Fixed (Add 3a + 3b + 3c)</b>			
3a) Long Term Fixed: Rates fixed for 1 – 9 years			
3b) Long Term Fixed: Rates fixed 10+ years			
3c) Long Term Fixed: Rates fixed to maturity			
<b>Total (Add 1 + 2 + 3)</b>	<b>100%</b>	<b>100%</b>	

**Cost of Service Study**

Management and Board shall strive to maintain a fair, equitable and risk rated balance between the collection of revenue and incurring of expenses between all revenue classes. This balance shall be determined through completion of an industry accepted cost-of-service study, completed on a regular basis, but no less frequently than once every 5 years.

**Cash and Cash Equivalents (General Funds)**

Management shall strive to maintain a cash and cash equivalents (General Funds) balance sufficient to meet business requirements..

**Investment policy - General Funds and Other Liquid Assets**

Optimal management of electric cooperatives includes the fiduciary responsibility of selecting appropriate investments for general funds and other liquid assets. Typically, these investments are of low risk and high liquidity in order to ensure payment of current liabilities as they become due. Management shall prepare and the Board shall approve an investment policy statement (IPS) regarding the cooperative's general funds and other liquid assets.

The IPS shall include the following:

- **Risk Tolerance:** Understand the willingness and ability for the cooperative to assume risk. For electric cooperatives, risk tolerance should be low since these investments are typically needed to pay current liabilities.
- **Constraints:**
  - **Time Horizon:** Identify the time horizon of the investments. For electric cooperatives, the time horizon should be short (under 12 months) since these investments are typically needed to pay current liabilities.
  - **Liquidity:** Identify immediate and ongoing liquidity needs. For electric cooperatives, these investments should be very liquid in order to be available to pay current liabilities.
  - **Laws and Regulation:** Identify legal and regulatory issues governing investment activity.
  - **Taxes:** Identify tax issues, if applicable.
  - **Unique Circumstances:** Identify any special needs of the cooperative.
- **Return:** Identify the expected rate of return based on the requirements stated above. For electric cooperatives, the return on these investments is of secondary importance to risk tolerance, time horizon and liquidity in order to ensure payment of current liabilities.

Suggested investments for general funds and other liquid assets:

- CFC Extendable Commercial Notes
- CFC Daily Fund

## **Section V: Financial Forecasting**

Management shall create financial forecasts including: an Annual Budget and a 10-year financial forecast, further described below. The forecasts shall use the planning documents identified in section III and incorporate the financial goals identified in section IV.

### **Annual Budget**

Based on the planning documents and the financial goals identified in sections III and IV, management shall prepare or cause to be prepared an annual financial budget. The budget shall be prepared for the ensuing calendar year and shall be presented to the Board for their approval no later than December of each year.

The budget shall include, at a minimum, the following sections:

- Assumptions used to prepare the budget
- Description of the primary changes and projects contemplated for the coming year
- Statement of operations by month
- Balance sheet
- Capital Expenditures (CAPEX)

### **10-year financial forecast**

Based on the planning documents and the financial goals identified in sections III and IV, management shall prepare, or cause to be prepared, a 10-year financial forecast. The first forecast year will contain the financial data from the annual budget above. A summary of the financial forecast shall be reported to the Board no later than March at its regular or special board meeting each year. The financial forecast shall include and comply with all of the financial goals and parameters identified by the Board in section IV plus include significant assumptions utilized in its preparation. In order to comply with typical lender requirements, the 10-year financial forecast shall, at a minimum, contain the following sections:

- Ratios
- Balance sheet
- Statement of operations
- General funds
- Load projections
- Determination of operating revenue
- Plant investment
- Determination of debt and debt service
- Cash flow

**Conflicts with financial goals**

If the financial goals in section IV conflict with each other to such a degree that the financial forecast cannot reasonably achieve all of them at the same time, management shall communicate the conflict(s) to the Board. The Board shall, with Management's guidance, discuss and resolve these conflicts.

**Rate policies/philosophy**

Management shall recommend to the Board retail electric rates as recommended or amended to meet the aforementioned financial goals established by the Board. The rates shall include a power cost factor adjustment designed to automatically adjust revenues based on changes in the Cooperative's wholesale power cost.



Excerpt from November 23, 2020 Board Minutes concerning proposed change to the employee RS Plan.

**RESOLUTION TO AMEND RS PLAN** Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the resolution to amend the RS Plan from 2.0 to 1.7 benefit level for new employees  
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**WHEREAS**, The Board of Directors of Grayson RECC ("the Board") now desires to amend the RS Plan pursuant to Section 18.02 of the RS Plan and does hereby authorize the amendments effective December 1, 2020 by executing the appropriate Adoption Agreements;

**BE IT RESOLVED**, that effective December 1, 2020, the RS Plan for 18061-001 is divided into two plans. A separate plan 18061-001A is formed for employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020. And a new RS Plan 18061-001B is established for employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020.

**BE IT FURTHER RESOLVED**, that the RS Plan for 18061-001A shall mirror the RS Plan provisions for 18061-001 in effect through November 30, 2020, except as follows:

18061-001A RS Plan:

- Eligible Employees are employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC before December 1, 2020
- Ineligible Employees are:
  - Employees of Grayson RECC covered by a collective bargaining agreement
  - Employees who are hired, rehired, or transferred to Grayson RECC on or after December 1, 2020

**BE IT FURTHER RESOLVED**, that the RS Plan for 18061-001B shall mirror the RS Plan provisions for 18061-001 in effect through November 30, 2020, except as follows:

18061-001B RS Plan:

- Eligible Employees are employees not covered by a collective bargaining agreement who are hired, rehired, or transferred to Grayson RECC on or after December 1, 2020
- Ineligible Employees are:
  - Employees of Grayson RECC covered by a collective bargaining agreement
  - Employees who are hired, rehired, or transferred to Grayson RECC before December 1, 2020
- The retirement benefit payable to a Participant who retires on his/her Normal Retirement date, computed as a Joint and Spouse Annuity, shall be equal to 1.7% of the Participant's Final Average Earnings multiplied by years of Benefit Service accrued after November 30, 2020, plus the Participant's accrued benefit before December 1, 2020 (if any), derived in accordance with section 7(a) (ii) of the Retirement Security Plan Adoption Agreement and the Specifications of the Retirement Security Plan.

Participants who are rehired on or after December 1, 2020 shall be ineligible for the retirement plan provisions applicable to employees hired before December 1, 2020. Participants transferring from another Participating System on or after December 1, 2020, shall be ineligible for the retirement plan provisions applicable to employees hired before December 1, 2020.

**BE IT FURTHER RESOLVED**, that the Board recognizes that certain nondiscrimination tests will be required to be performed with respect to these plan amendments. The Board further recognizes that any corrective action necessitated as a result of annual nondiscrimination testing would likely entail additional contributions for which the Co-op agrees to retain liability.

**BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Bradley Cherry, the Interim President & CEO, 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, Jim Bentley, 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 of Grayson RECC, held on the 23<sup>rd</sup> day of November, 2020 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 RECC this 23<sup>rd</sup> day of November, 2020.

(Seal)

  
(Signature of Secretary)











# KENTUCKY PUBLIC SERVICE COMMISSION

## Electric Distribution Utility Annual Reliability Report

### SECTION 1: CONTACT INFORMATION

UTILITY NAME	Grayson Rural Electric Cooperative Corporation
REPORT PREPARED BY	Brian Poling/Mike Martin/Kyle Clevenger
E-MAIL ADDRESS OF PREPARER	<a href="mailto:kyle.clevenger@graysonrecc.com">kyle.clevenger@graysonrecc.com</a>
E-MAIL ADDRESS OF PREPARER	<a href="mailto:mike.martin@graysonrecc.com">mike.martin@graysonrecc.com</a>
E-MAIL ADDRESS OF PREPARER	<a href="mailto:brian.poling@graysonrecc.com">brian.poling@graysonrecc.com</a>
PHONE NUMBER OF PREPARER	606-474-5136

### SECTION 2: REPORTING YEAR

CALENDAR YEAR OF REPORT	2021
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### SECTION 3: MAJOR EVENT DAYS (MED)

	T <sub>MED</sub>	20.45
FIRST DATE USED TO DETERMINE	T <sub>MED</sub>	1/1/2021
LAST DATE USED TO DETERMINE	T <sub>MED</sub>	12/31/2021
NUMBER OF MED IN REPORT YEAR		18

NOTE: Per IEEE Tmed should be calculated using the daily SAIDI values for the five prior years. If five years of data are not available, then utilities should use what is available until five years are accumulated



# KENTUCKY PUBLIC SERVICE COMMISSION

## SECTION 4: SYSTEM RELIABILITY INFORMATION AND RESULTS

<b>System-wide Information</b>			
TOTAL CUSTOMERS:	14,690	TOTAL CIRCUITS	43
<b>Excluding MED</b>			
	<b>5 YEAR AVERAGE</b>		<b>REPORTING YEAR</b>
SAIDI	392.5	SAIDI	358.6
SAIFI	2.79	SAIFI	4.64
<b>Including MED</b>			
	<b>5 YEAR AVERAGE</b>		<b>REPORTING YEAR</b>
SAIDI	2674.1	SAIDI	11608.4
SAIFI	3.29	SAIFI	4.64

**NOTES:**

- 1) All durations indices (SAIDI) are to be reported in units of minutes.
- 2) Reports are due on the first business day of April of each year.
- 3) Reports cover the calendar year ending in the December before the reports are due.
- 4) IEEE 1366 (latest version) issued to define SAIDI, SAIFI and TMED

# KENTUCKY PUBLIC SERVICE COMMISSION

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## SECTION 5: CIRCUIT REPORTING

(CIRCUITS WITH SAIDI AND/OR SAIFI EXCEEDING 5 YEAR AVERAGE)

(CIRCUIT NUMBERS SHOULD BE REPORTED EXCLUDING MED)

1. Airport Road (Sub #12)
2. Located approximately 0.2 miles off Rt. 7 on Rt. 986
3. Feeder 1
4. South along Rt. 7 toward Elliott County
5. There are approximately 78.7 miles of primary line.
6. 520 active consumers.
7. Circuit was cut in 2015
8. Causes of last years outages:

440 Trees with ice/snow	29.2%
431 Tree Failure-off ROW	16.8%
520 Ice, sleet, frost, not trees	13.3%
590 Weather, other	11.5%
600 Small animal/bird	6.2%
110 Maintenance	5.3%
999 Cause unknown	4.4%
770 Consumer's Problem	2.7%
400 Decay/age of material/equipment	1.8%
430 Tree failure from overhang or dead tree without ice/snow	1.8%
710 Motor vehicle	1.8%
100 Construction	0.9%
300 Material or equipment fault/failure	0.9%
420 Tree growth	0.9%
500 Lightning	0.9%
730 Fire	0.9%
800 Other	0.9%
9. The 5 year average SAIDI is 362.51
10. The SAIDI for 2021 was 1849.35
11. The 5 year average SAIFI is 2.36
12. The SAIFI for 2021 was 3.33
13. This circuit was one on many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small animal problems. We now have both construction crews doing hotline work to reduce the maintance outages.

# KENTUCKY PUBLIC SERVICE COMMISSION

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## SECTION 5: CIRCUIT REPORTING

Continued

1. Argentum (Sub #1)
2. Located on Rt. 7, 0.6 miles north of the junction of AA Highway.
3. Feeder 2
4. South along Rt. 7 toward gas plant
5. There are approximately 92.6 miles of primary line.
6. 688 active consumers.
7. Circuit was cut in 2011
8. Causes of last years outages:

431 Tree Failure-off ROW	22.4%
600 Small animal/bird	16.4%
420 Tree growth	11.9%
100 Construction	6.0%
110 Maintenance	6.0%
470 Borrower crew cuts tree	6.0%
520 Ice, sleet, frost, not trees	4.5%
999 Cause unknown	4.5%
400 Decay/age of material/equipment	3.0%
430 Tree failure from overhang or dead tree without ice/snow	3.0%
440 Trees with ice/snow	3.0%
500 Lightning	3.0%
590 Weather, other	3.0%
770 Consumer's Problem	3.0%
300 Material or equipment fault/failure	1.5%
530 Flood	1.5%
730 Fire	1.5%
9. The 5 year average SAIDI is 505.05
10. The SAIDI for 2021 was 571.87
11. The 5 year average SAIFI is 3.21
12. The SAIFI for 2021 was 3.24
13. We have a dedicated crew looking for dead right of way crews and this circuit will be cut this year. We are adding critter guards to existing and all new constuction to reduce those types of outages.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Carter City (Sub #10)
2. Located approx 0.2 miles north of Jct of 474 on Rt. 2 & 7
3. Feeder 1
4. Sand Ridge to Adkins Loop
5. There are approximately 37.8 miles of primary line.
6. 221 active consumers.
7. Circuit was cut in 2018
8. Causes of last years outages:

440 Trees with ice/snow	19.7%
431 Tree Failure-off ROW	14.8%
600 Small animal/bird	14.8%
590 Weather, other	11.5%
520 Ice, sleet, frost, not trees	9.8%
110 Maintenance	6.6%
800 Other	4.9%
300 Material or equipment fault/failure	3.3%
430 Tree failure from overhang or dead tree without ice/snow	3.3%
470 Borrower crew cuts tree	3.3%
400 Decay/age of material/equipment	1.6%
420 Tree growth	1.6%
610 Large animal	1.6%
790 Public, other	1.6%
999 Cause unknown	1.6%
9. The 5 year average SAIDI is 232.77
10. The SAIDI for 2021 was 720.97
11. The 5 year average SAIFI is 1.76
12. The SAIFI for 2021 was 2.40
13. We have a dedicated crew looking for dead trees that are off right of way and taking them down starting with our worst circuits. We are adding critter guards in all areas where outages indicate small animals and birds are a problem as well as adding guards to all new construction.

# KENTUCKY PUBLIC SERVICE COMMISSION

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## SECTION 5: CIRCUIT REPORTING

Continued

1. Carter City (Sub #10)
2. Located approx 0.2 miles north of Jct of 474 on Rt. 2 & 7
3. Feeder 2
4. Rt. 2
5. There are approximately 43.5 miles of primary line.
6. 238 active consumers.
7. Circuit was cut in 2010
8. Causes of last years outages:

431 Tree Failure-off ROW	19.0%
440 Trees with ice/snow	16.7%
999 Cause unknown	14.3%
520 Ice, sleet, frost, not trees	11.9%
600 Small animal/bird	9.5%
590 Weather, other	7.1%
110 Maintenance	4.8%
500 Lightning	4.8%
100 Construction	2.4%
300 Material or equipment fault/failure	2.4%
420 Tree growth	2.4%
730 Fire	2.4%
800 Other	2.4%
9. The 5 year average SAIDI is 297.25
10. The SAIDI for 2021 was 282.57
11. The 5 year average SAIFI is 2.01
12. The SAIFI for 2021 was 2.55
13. We have a dedicated crew looking for dead trees that are off right of way and taking them down starting with our worst circuits. We are adding critter guards in all areas where outages indicate small animals and birds are a problem as well as adding guards to all new construction.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Carter City (Sub #10)
2. Located approx 0.2 miles north of Jct of 474 on Rt. 2 & 7
3. Feeder 3
4. Smith Creek
5. There are approximately 24.9 miles of primary line.
6. 133 active consumers.
7. Circuit was cut in 2015
8. Causes of last years outages:

440 Trees with ice/snow	20.8%
431 Tree Failure-off ROW	16.7%
590 Weather, other	16.7%
600 Small animal/bird	16.7%
520 Ice, sleet, frost, not trees	8.3%
999 Cause unknown	8.3%
100 Construction	4.2%
110 Maintenance	4.2%
430 Tree failure from overhang or dead tree without ice/snow	4.2%
9. The 5 year average SAIDI is 301.36
10. The SAIDI for 2021 was 515.32
11. The 5 year average SAIFI is 1.91
12. The SAIFI for 2021 was 1.95
13. Small animals and birds contributed to the majority of outages on this circuit that wer not weather related. We are constantly installing critter guards on existing transformers and all new construction.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING Continued

1. Carter City (Sub #10)
2. Located approx 0.2 miles north of Jct of 474 on Rt. 2 & 7
3. Feeder 4
4. Rt. 2 & 7 North
5. There are approximately 67.3 miles of primary line.
6. 427 active consumers.
7. Circuit was cut in 2009
8. Causes of last years outages:

440 Trees with ice/snow	28.1%
431 Tree Failure-off ROW	15.6%
600 Small animal/bird	11.5%
999 Cause unknown	8.3%
520 Ice, sleet, frost, not trees	7.3%
590 Weather, other	7.3%
470 Borrower crew cuts tree	4.2%
710 Motor vehicle	4.2%
110 Maintenance	3.1%
400 Decay/age of material/equipment	3.1%
430 Tree failure from overhang or dead tree without ice/snow	3.1%
100 Construction	2.1%
300 Material or equipment fault/failure	1.0%
420 Tree growth	1.0%
9. The 5 year average SAIDI is 147.76
10. The SAIDI for 2021 was 218.47
11. The 5 year average SAIFI is 1.11
12. The SAIFI for 2021 was 1.34
13. This circuit was one on many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small animal

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Elliottville (Sub #7)
2. Located at the end of Fouch Rd of Rt. 32 near Elliottville
3. Feeder 4
4. Rt. 504
5. There are approximately 72.2 miles of primary line.
6. 438 active consumers.
7. Circuit was cut in 2019
8. Causes of last years outages:

440 Trees with ice/snow	27.4%
520 Ice, sleet, frost, not trees	18.8%
110 Maintenance	10.3%
431 Tree Failure-off ROW	7.7%
600 Small animal/bird	7.7%
500 Lightning	6.0%
590 Weather, other	6.0%
999 Cause unknown	6.0%
800 Other	3.4%
420 Tree growth	1.7%
510 Wind, not trees	1.7%
100 Construction	0.9%
400 Decay/age of material/equipment	0.9%
700 Customer-caused	0.9%
710 Motor vehicle	0.9%
9. The 5 year average SAIDI is 176.63
10. The SAIDI for 2021 was 230.42
11. The 5 year average SAIFI is 1.21
12. The SAIFI for 2021 was 1.68
13. This circuit was one of many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees. We are adding critter guards to help with the birds and small animal problems.



## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING Continued

1. Leon (Sub #2)
2. The sub is located on Rt. 1661 approximately 1.8 miles from Jct Rt. 7
3. Feeder 2
4. Four Mile toward Adkins Loop
5. There are approximately 31.1 miles of primary line.
6. 232 active consumers.
7. Circuit was cut in 2015
8. Causes of last years outages:

600 Small animal/bird	21.7%
590 Weather, other	15.7%
440 Trees with ice/snow	13.3%
520 Ice, sleet, frost, not trees	9.6%
431 Tree Failure-off ROW	9.6%
110 Maintenance	9.6%
430 Tree failure from overhang or dead tree without ice/snow	6.0%
800 Other	3.6%
400 Decay/age of material/equipment	3.6%
500 Lightning	2.4%
320 Conductor sag or inadequate clearance	2.4%
700 Customer-caused	1.2%
510 Wind, not trees	1.2%
9. The 5 year average SAIDI is 496.48
10. The SAIDI for 2021 was 653.33
11. The 5 year average SAIFI is 3.08
12. The SAIFI for 2021 was 2.72
13. Small animals and birds contributed to the majority of outages on this circuit that wer not weather related. We are constantly installing critter guards on existing transformers and all new construction.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING Continued

1. Mazie (Sub #4)
2. Located approximately 11.5 miles east of Sandy Hook on Rt. 32.
3. Feeder 2
4. Rt. 32 toward Blaine
5. There are approximately 92 miles of primary line.
6. 582 active consumers.
7. Circuit was cut in 2014
8. Causes of last years outages:

440 Trees with ice/snow	25.6%
300 Material or equipment fault/failure	14.0%
431 Tree Failure-off ROW	14.0%
110 Maintenance	10.1%
520 Ice, sleet, frost, not trees	8.5%
999 Cause unknown	6.2%
590 Weather, other	5.4%
600 Small animal/bird	3.1%
500 Lightning	2.3%
770 Consumer's Problem	2.3%
800 Other	2.3%
400 Decay/age of material/equipment	1.6%
510 Wind, not trees	1.6%
100 Construction	0.8%
430 Tree failure from overhang or dead tree without ice/snow	0.8%
740 Public cuts tree	0.8%
750 Vandalism	0.8%
9. The 5 year average SAIDI is 854.15
10. The SAIDI for 2021 was 842.01
11. The 5 year average SAIFI is 4.10
12. The SAIFI for 2021 was 5.48
13. This circuit was one on many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small anima problems. We now have both construction crews doing hotline work to reduce the maintance outages.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Mazie (Sub #4)
2. Located approximately 11.5 miles east of Sandy Hook on Rt. 32.
3. Feeder 3
4. Across hill toward Terryville
5. There are approximately 22.4 miles of primary line.
6. 125 active consumers.
7. Circuit was cut in 2019
8. Causes of last years outages:

440 Trees with ice/snow	25.8%
431 Tree Failure-off ROW	16.1%
300 Material or equipment fault/failure	9.7%
470 Borrower crew cuts tree	9.7%
600 Small animal/bird	9.7%
999 Cause unknown	9.7%
590 Weather, other	6.5%
110 Maintenance	3.2%
500 Lightning	3.2%
520 Ice, sleet, frost, not trees	3.2%
800 Other	3.2%
9. The 5 year average SAIDI is 547.00
10. The SAIDI for 2021 was 1067.93
11. The 5 year average SAIFI is 3.86
12. The SAIFI for 2021 was 4.28
13. This too was one on many circuits that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small animal problems. We now have both construction crews doing hotline work to reduce the maintance outages.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Newfoundland (Sub #3)
2. Located on Rt. 32 just south of the Junction of Rt. 7
3. Feeder 1
4. Rt. 7 toward Bruin
5. There are approximately 75.7 miles of primary line.
6. 447 active consumers.
7. Circuit was cut in 2016
8. Causes of last years outages:

440 Trees with ice/snow	25.0%
520 Ice, sleet, frost, not trees	14.6%
600 Small animal/bird	12.5%
590 Weather, other	10.4%
110 Maintenance	8.3%
431 Tree Failure-off ROW	7.3%
999 Cause unknown	5.2%
500 Lightning	4.2%
400 Decay/age of material/equipment	2.1%
430 Tree failure from overhang or dead tree without ice/snow	2.1%
770 Consumer's Problem	2.1%
100 Construction	1.0%
300 Material or equipment fault/failure	1.0%
320 Conductor sag or inadequate clearance	1.0%
410 Corrosion/abrasion of material/equipment	1.0%
470 Borrower crew cuts tree	1.0%
710 Motor vehicle	1.0%
9. The 5 year average SAIDI is 266.85
10. The SAIDI for 2021 was 104.53
11. The 5 year average SAIFI is 1.43
12. The SAIFI for 2021 was 1.48
13. This circuit was one on many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small anima problems. We now have both construction crews doing hotline work to reduce the maintance outages.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Newfoundland (Sub #3)
2. Located on Rt. 32 just south of the Junction of Rt. 7
3. Feeder 2
4. Rt. 32 toward Brown Ridge
5. There are approximately 28.8 miles of primary line.
6. 206 active consumers.
7. Circuit was cut in 2017
8. Causes of last years outages:

440 Trees with ice/snow	23.5%
590 Weather, other	14.7%
110 Maintenance	11.8%
520 Ice, sleet, frost, not trees	11.8%
600 Small animal/bird	8.8%
400 Decay/age of material/equipment	5.9%
500 Lightning	5.9%
800 Other	5.9%
431 Tree Failure-off ROW	2.9%
510 Wind, not trees	2.9%
610 Large animal	2.9%
999 Cause unknown	2.9%
9. The 5 year average SAIDI is 352.77
10. The SAIDI for 2021 was 158.47
11. The 5 year average SAIFI is 1.21
12. The SAIFI for 2021 was 3.76
13. This circuit was also effected by this year's storms but not as badly as some of the other.  
We are also installing critter guards and checking for dead off right of way trees.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Pactolus (Sub #8)
2. Located on Subsation Road about 0.4 miles south of Jct of Rt. 9 and 1959
3. Feeder 1
4. Everman's Creek toward Iron Hill
5. There are approximately 73.7 miles of primary line.
6. 593 active consumers.
7. Circuit was cut in 2012
8. Causes of last years outages:
 

440 Trees with ice/snow	15.3%
590 Weather, other	15.3%
600 Small animal/bird	15.3%
520 Ice, sleet, frost, not trees	11.7%
431 Tree Failure-off ROW	9.2%
530 Flood	9.2%
110 Maintenance	8.6%
999 Cause unknown	4.3%
100 Construction	3.1%
710 Motor vehicle	1.8%
420 Tree growth	1.2%
360 Other equipment installation/design	0.6%
400 Decay/age of material/equipment	0.6%
430 Tree failure from overhang or dead tree without ice/snow	0.6%
500 Lightning	0.6%
510 Wind, not trees	0.6%
700 Customer-caused	0.6%
790 Public, other	0.6%
800 Other	0.6%
9. The 5 year average SAIDI is 458.95
10. The SAIDI for 2021 was 618.53
11. The 5 year average SAIFI is 2.71
12. The SAIFI for 2021 was 3.81
13. We have a dedicated crew looking for dead trees that are off right of way and taking them down starting with our worst circuits. We are adding critter guards in all areas where outages indicate small animals and birds are a problem as well as adding guards to all new construction.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Pelfrey (Sub #5)
2. Located on US 60 0.8 miles west from the Junction of Grahn Road (Rt. 182)
3. Feeder 1
4. West to West Carter/Rt. 2
5. There are approximately 74 miles of primary line.
6. 590 active consumers.
7. Circuit was cut in 2012
8. Causes of last years outages:

520 Ice, sleet, frost, not trees	16.9%
440 Trees with ice/snow	16.2%
600 Small animal/bird	13.5%
110 Maintenance	9.5%
590 Weather, other	7.4%
400 Decay/age of material/equipment	6.1%
999 Cause unknown	6.1%
300 Material or equipment fault/failure	5.4%
431 Tree Failure-off ROW	4.7%
100 Construction	4.1%
500 Lightning	4.1%
510 Wind, not trees	3.4%
420 Tree growth	1.4%
610 Large animal	0.7%
770 Consumer's Problem	0.7%
9. The 5 year average SAIDI is 420.48
10. The SAIDI for 2021 was 336.69
11. The 5 year average SAIFI is 2.55
12. The SAIFI for 2021 was 2.94
13. Other than the storms that hit, small animals and birds have caused several problems. We have added many critter guards here. It appears this is a more residential area and home owners may be feeding the animals more attracting more animals.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Sandy Hook (Sub #9)
2. Located on Bank Street in Sandy Hook
3. Feeder 2
4. City of Sandy Hook
5. There are approximately 5.97 miles of primary line.
6. 289 active consumers.
7. Circuit was cut in 2020
8. Causes of last years outages:

600 Small animal/bird	33.3%
431 Tree Failure-off ROW	27.8%
800 Other	16.7%
520 Ice, sleet, frost, not trees	11.1%
400 Decay/age of material/equipment	5.6%
999 Cause unknown	5.6%
9. The 5 year average SAIDI is 106.87
10. The SAIDI for 2021 was 409.10
11. The 5 year average SAIFI is .93
12. The SAIFI for 2021 was 3.86
13. Small animals and birds contributed to the majority of outages on this circuit that wer not weather related. We are constantly installing critter guards on existing transformers and all new construction.



## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Warnock (Sub #6)
2. Located on Hoods Run Road located 1.7 miles from Jct of Rt. 7 & 2 off Rt. 2
3. Feeder 2
4. Rt. 2 to Greenbo
5. There are approximately 7.2 miles of primary line.
6. 51 active consumers.
7. Circuit was cut in 2011
8. Causes of last years outages:

440 Trees with ice/snow	25.0%
431 Tree Failure-off ROW	20.8%
590 Weather, other	16.7%
430 Tree failure from overhang or dead tree without ice/snow	12.5%
600 Small animal/bird	8.3%
999 Cause unknown	8.3%
110 Maintenance	4.2%
800 Other	4.2%
9. The 5 year average SAIDI is 114.92
10. The SAIDI for 2021 was 386.65
11. The 5 year average SAIFI is 1.23
12. The SAIFI for 2021 was 5.26
13. This circuit was one of many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees. We are adding critter guards to help with the birds and small animal problems.

## KENTUCKY PUBLIC SERVICE COMMISSION

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### SECTION 5: CIRCUIT REPORTING

Continued

1. Warnock (Sub #6)
2. Located on Hoods Run Road located 1.7 miles from Jct of Rt. 7 & 2 off Rt. 2
3. Feeder 3
4. North Fork to Rt. 207
5. There are approximately 45.8 miles of primary line.
6. 350 active consumers.
7. Circuit was cut in 2015
8. Causes of last years outages:

440 Trees with ice/snow	30.1%
431 Tree Failure-off ROW	12.0%
590 Weather, other	10.8%
600 Small animal/bird	10.8%
110 Maintenance	7.2%
300 Material or equipment fault/failure	7.2%
520 Ice, sleet, frost, not trees	4.8%
500 Lightning	3.6%
800 Other	3.6%
430 Tree failure from overhang or dead tree without ice/snow	2.4%
770 Consumer's Problem	2.4%
100 Construction	1.2%
420 Tree growth	1.2%
470 Borrower crew cuts tree	1.2%
530 Flood	1.2%
9. The 5 year average SAIDI is 509.24
10. The SAIDI for 2021 was 678.17
11. The 5 year average SAIFI is 2.86
12. The SAIFI for 2021 was 5.47
13. This circuit was one on many that was hit hard from the ice storm. We are constantly taking down dead off right of way trees . We are adding critter guards to help with the birds and small anima problems. We now have both construction crews doing hotline work to reduce the maintance outages.

## SECTION 6: VEGETATION MANAGEMENT PLAN REVIEW

### INCLUDE CURRENT VEGETATION MANAGEMENT PLAN

Additional pages may be attached as needed.

In 2021 we cleared 92.5 miles of line in our circuit cutting program on Argentum Feeder 2. We also trimmed 9,744 yard trees and cut 12,562 trees along the right-of-ways. We also sprayed a total of 464.6 miles of right-of-way.

Our dedicated crew for off right of way trees has covered all circuits out of Elliottville, Sandy Hook, Mazie, Airport Road, and Pactolus. We are currently working on Newfoundland.

We plan on cutting two full circuits in 2022, Warnock Feeder 3 and Argentum Feeder 1. We also plan to finish cutting dead off right of way trees on the remaining circuits this year.

## SECTION 7: UTILITY COMMENTS

We were hit hard by 4 storms in 2021..three in February and one in June. The February storms were the worst in our cooperative's memory and it took through June to clean up. The associated outages really effected our reliability numbers.

We now have both our in-house construction crews doing hot work and are diligently working to pinpoint trouble areas and make necessary repairs before outages occur. We are determined to reduce our reliability indices in the coming year(s) and hoping we don't get weather caused outages on that scale again.