

annual report  
**2013**

safety rules



Making every year  
the safest year ever.



Shelby Energy Cooperative

Your Touchstone Energy® Partner 

## **CEO MESSAGE**



### **Safety Rules**

Safety doesn't just happen—you have to follow the rules.

When it comes to safety around electricity, failure to follow those rules can result in severe injury or even death.

Following safety rules is an obsession at Shelby Energy Cooperative. Keeping employees and members safe is so important that it's the theme of this year's annual report.

In these pages you'll find descriptions of the work Shelby Energy does to keep its employees safe **at all times**. That's important for you to know as a member-owner of Shelby Energy. We also hope it will serve to help keep safety at the top of your mind, also.

In addition, this annual report includes suggestions for protecting your family around your home. We hope these tips will provide you with practical advice and reminders to help keep you and your family healthy and secure.

We want to make sure you know how to avoid the dangers of electricity, so that you can enjoy its amazing benefits. At Shelby Energy, safety rules!

**ON THE COVER:** Shelby Energy Cooperative line technicians Kelly Michels and Neil Raizor show that part of following the safety rules is to wear the proper equipment, including hardhat, protective eyewear, and protective gloves. Photo: Tim Webb



One of the many ways Shelby Energy Co-op brings the message of safety to the community is through dramatic educational demonstrations of electricity's power. In this photo, Vice President of Operations Jason Ginn is doing a safety demonstration for a class of students at Painted Stone Elementary in Shelbyville. Photo: Candi Waford

## **The basics of electric safety**

Did you know that all those overhead power lines you see everywhere are NOT insulated? So you might ask, how can a bird sit on one of those bare wires without getting electrocuted?

The answer is basic to how electricity works, and is a key to understanding the dangers of electricity, as well as how to use it safely.

Electricity always flows in a circuit, and it always takes the easiest path. While the bird sits on the wire, electricity flows from the power plant, beneath the bird's feet, to your house. If that bird had a large enough wingspan and spread it to touch a nearby power line, then the easiest circuit for the electricity would be through the bird to that nearby power line. Unfortunately, that would be the end of the bird.

If you think that because you don't have wings, you don't need to worry, think again.

If you're outside maneuvering a ladder to do some yard work and aren't thinking about the nearby power line, you could be like that bird. Contact with a power line could send high voltage from the wire, through the ladder, and through you to the ground. A child flying a kite that might contact a power line could also form a circuit with the ground. Enjoy the outdoors, but be aware and make your family aware of power lines overhead.

Do you have a toppled power line on the ground? By now you know enough to finish the story yourself—DON'T GO NEAR IT! Call 911.

# Keeping line technicians safe

The rules of safety reach their highest-stakes intensity in the world of the line technician. Every day they work around the dangers of electric current in conditions that seem designed for danger. They might be high above the ground in awkward physical positions or working in weather conditions that are unpleasant or distracting, but their focus must always be on working safely. Shelby Energy Cooperative places the highest priority on protecting line technicians, so they may go home each day to their families.

**FOLLOW THE RULES** The first line of defense is to establish rigid rules. When a tiny pinhole in a safety glove can let in a deadly flow of electricity, strict procedures are required. Equipment must be tested frequently. Following all the procedures exactly might require extra time to test equipment, it might call for extra personnel to assist, but those extra measures must be taken to be safe.

**ENFORCE THE RULES** Second, those rules must be enforced. It's human nature to forget, or to want to take a shortcut. But, that's not acceptable when it comes to safety. The crews of Shelby Energy know that not only are the rules meant to keep them safe, but expectations are that they will follow the safety rules as routine procedure and good work habits.

**SAFETY ALL THE TIME** Third, those rules must be followed all the time. It's easy to let your guard down, but even a fraction of a second of losing focus can result in an accident.

Making sure employees stay alert and focused every minute on the job is a key piece of Shelby Energy's safety program.

**PRACTICE, PRACTICE,**  
**PRACTICE** The fourth major piece to Shelby Energy's line technician safety program is training and practice. Daily meetings help workers stay informed and keep safety at the top of the mind. More formal training sessions are held several times a year, on topics like storm response, equipment replacement, climbing techniques, protective rubber glove procedures, chain-saw safety, and dozens of other topics

reviewed during regular weekly safety meetings.

Once a year co-ops all across the state get together for a friendly safety competition in the Kentucky Lineman's Rodeo. Line technicians enter as individuals and teams to climb poles, repair lines, and participate in other events to sharpen their everyday work skills. The events are timed to see who wins, but following the proper safety procedures overrules all the speed scores. It's a day of camaraderie and training aimed at keeping safety skills sharp the other 364 days of the year.



At the annual electric co-op Lineman's Rodeo, workers meet for a friendly skills competition that gives the highest marks for meticulously following safety procedures. This photo shows two Shelby Energy line technicians, Benji Bohannon and Michael Nethery, participating in a team mystery event. Photo: Candi Waford

# Protecting the workplace

Safety isn't just for line technicians. Shelby Energy Cooperative puts an emphasis on a safe and healthy workplace in everyday office routines.

Here is some of what Shelby Energy tells employees to reduce their risk of injury. You can adopt these suggestions yourself for safety in your own home or office:

**DESKS** Be smart around chairs and desks. Make sure chairs provide good back support and are set at a comfortable level for the height of the desk. Never stand on a chair to reach for something.

**COMPUTERS** Many of us use a computer for work and play. Keep the monitor at

eye level to avoid neck strain. Place the keyboard directly in front of the user. The back of the keyboard should be slightly elevated to allow the wrists to be in a neutral position, and place the screen at right angles to the window to avoid glare.

**TRIPS AND FALLS** Avoid slips, trips, and falls—the leading cause of workplace injuries. Keep all areas neat and well-lit. Keep cords and cables away from where they could trip someone. Clean spills right away. Keep obstructions out of passage-

ways. Watch for loose carpet. If something falls, pick it up. Use caution when walking in higher heels.

**STAIRS** On stairs, take one step at a time. Don't carry so much you can't see. Always hold the handrail.

**TAKE TIME TO BE SAFE** Slow down and pay attention all the time. Don't let busy or emotional situations distract you from being safe.

Ladders placed too close to power lines become dangerous conduits of electricity. Photo: Touchstone Energy Cooperatives



## Safe at home

Just as Shelby Energy works to keep employees

safe, the well-being of you, the member, is also of primary importance.

Wherever possible, we make efforts to keep you focused on using electricity safely. Through the mail, in electronic communications, and with community presentations, Shelby Energy spreads the message that safety rules apply everywhere, every day, and to everyone.

Here are some important safety tips:

### ELECTRIC OUTLETS AND POWER CORDS

should be checked regularly. Make sure outlets are in good repair and cords are not frayed. Don't nail or staple cords or run them under carpets. Extension cords should be used on a temporary basis only—they are not a permanent wiring solution.

### PREPARE A STORM POWER OUTAGE SAFETY KIT

that can get your family through at least 72 hours without electricity—flashlight, battery radio, blankets, first-aid supplies, prescriptions, drinking

water, food, and pet supplies.

**INSTALL SMOKE ALARMS AND CARBON MONOXIDE DETECTORS** and test them monthly.

**SUBSTATION FENCES ARE MARKED AS A DANGER ZONE.** Be cautious and stay away from marked areas.

**HAVE A FIRE ESCAPE PLAN** and practice fire drills.

**CHILDREN SHOULD NEVER** climb on power poles, or trees near power lines.

**POWER TOOLS SHOULD NEVER** be left unattended—indoors or outside.

**LEAVE THE REPAIRS TO A TRAINED PROFESSIONAL,** instead of working on fixtures or wiring appliances yourself.

**SPACE HEATERS** and similar equipment to add warmth to a home are a leading

cause of fires in the home. Keep them away from children, pets, high-traffic areas, and carpets or other flammable surfaces. Use only new models in good repair. Don't leave them on unattended.

**PORTABLE GENERATORS** should only be operated outdoors in areas with plenty of ventilation. Never run a generator in a home or garage—they emit deadly carbon monoxide. Never plug the generator into a wall outlet. This practice, known as back feeding, can cause an electrocution risk to utility workers and others served by the same utility transformer. Disconnect all lights and appliances before starting the generator—after it starts running, turn on appliances and lights one at a time to avoid overloading.



Ashley Chilton  
Chairman



Randy Stevens  
Vice Chairman



Roger G. Taylor  
Secretary/Treasurer



R. Wayne Stratton



Diana Arnold



Pat Hargadon



Debra J. Martin  
President & CEO



Donald Prather  
Attorney

Official Business Meeting Agenda  
**Annual Meeting  
of Members**  
**Shelby Energy Cooperative**

Where: Henry County High School

When: June 26, 2014

Registration Time: 4:30 p.m.

Business Meeting Time: 6:30 p.m.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Report on the number of members present in person or by valid proxy, 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 the previous meeting of the members and the taking of necessary action thereon;
4. Presentation and consideration of reports of officers, trustees, and committees;
5. Report on the election of board members;
6. Unfinished business;
7. New business (or other business if properly raised), other agenda items, if any, and
8. Adjournment



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## ACTIVE ACCOUNTS

(meters served as of December 31, 2013)

Shelby County ..... 5,618

Henry County ..... 3,077

Trimble ..... 2,596

Carroll County ..... 645

Owen County ..... 79

Oldham County ..... 80

Spencer County ..... 49

Anderson County ..... 10

Franklin County ..... 5

Jefferson County ..... 5

Total ..... 12,164

## Accounts Billed

2013 ..... 15,522

## Average Kilowatt-hour Use

(Residential per month)

2013 ..... 1,292

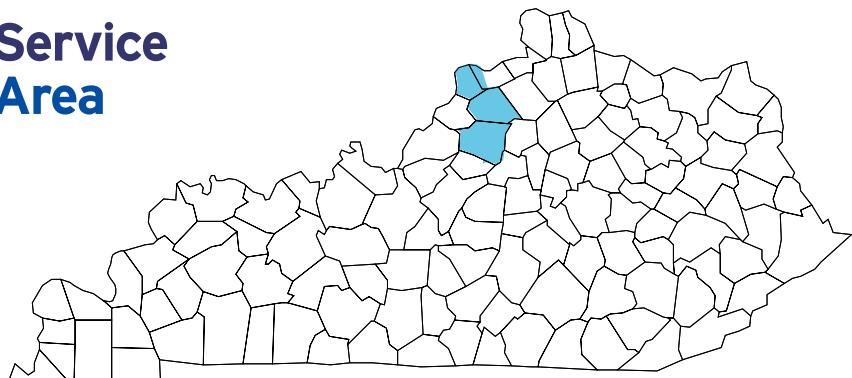
## Miles of Line

2013 ..... 2,109

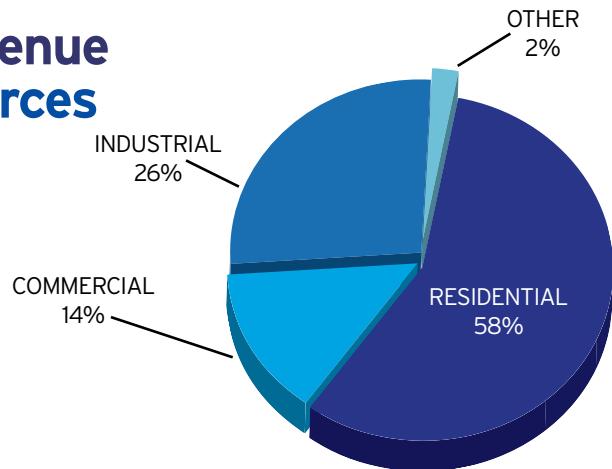
## Consumers Per Mile

2013 ..... 7.3

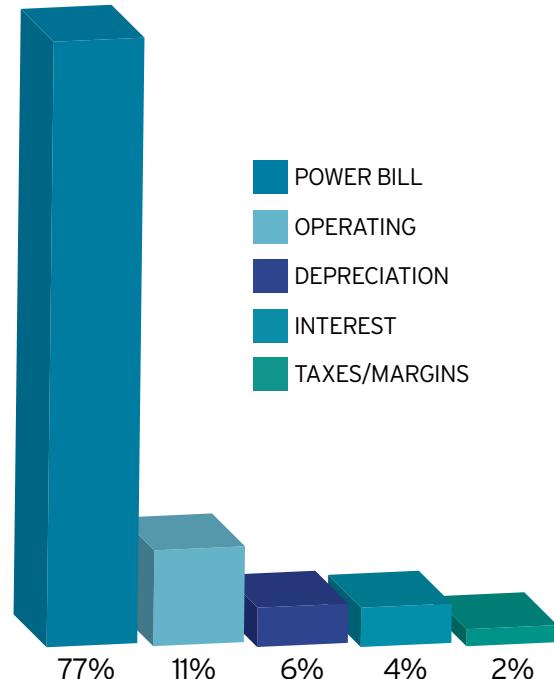
## Service Area



## Revenue Sources



## Major Costs



# **Statement of Operations**

For the Year Ending December 31, 2013

Operating Revenue.....	\$43,961,520
Operating Expense	
Purchased Power.....	\$33,538,636
Operating System.....	4,703,841
Depreciation.....	2,516,331
Taxes.....	840,027
Interest on Loans .....	1,719,403
Other Deductions .....	42,158
Total Cost of Electric.....	\$43,360,396
Operating Margins .....	\$601,124
Non-Operating Margins .....	145,946
G & T Capital Credits .....	2,640,762
Other Capital Credits .....	84,543
Patronage Capital & Margins .....	\$3,472,375

# **Balance Sheet**

For the Year Ending December 31, 2013

## **ASSETS**

Total Utility Plant.....	\$80,277,981
Less Depreciation.....	15,488,662
Net Utility Plant .....	64,789,319
Investment in Shelby Energy Services.....	\$1,457,496
Investment in Assoc. Organization .....	\$17,305,631
Cash .....	1,969,357
Notes Receivable .....	0,000,000
Accounts Receivable .....	4,415,371
Inventory .....	429,320
Expenses Paid in Advance .....	191,891
Deferred Debits & Other Assets .....	88,582
Total Assets.....	\$90,646,967

## **LIABILITIES**

Consumer Deposits.....	\$1,249,198
Membership &	
Other Equities .....	35,475,435
Long-Term Debt.....	46,500,974
Notes and Accounts Payable .....	4,543,229
Other Current Liabilities.....	351,916
Non Current Liabilities.....	1,989,227
Other Deferred Credits .....	536,988
Total Liabilities.....	\$90,646,967



# Shelby Energy Cooperative

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# 2014 ANNUAL MEETING THURSDAY JUNE 26

Henry Co. High School, New Castle, KY  
Registration Time: 4:30 p.m.  
Business Meeting Time: 6:30 p.m.



Featured Entertainment  
**Hard Rock City**



Also featuring  
**Mark Comley**  
Magician



**FREE** Energy-saving light  
bulbs for members who attend!



**Food • Giveaways**  
**Video Game Trailer**



**Caricaturist Denny Whalen**