

2022 ANNUAL REPORT



SUPPORT | ADVOCATE | EDUCATE

 **Shelby Energy Cooperative**

A Touchstone Energy® Cooperative 



SUPPORT

Because you are reading this annual report, chances are you already know that Shelby Energy Cooperative only exists because of the consumer-members who own our cooperative.

When Shelby Energy Cooperative was founded in 1937, friends and neighbors banded together to create a new kind of electric utility, where the voice of every person made a difference.

Electric cooperatives brought electric power to the countryside when no one else would. Today, Shelby Energy Cooperative and more than 900 other electric co-ops across America continue to answer that call. Focusing on customer needs, Shelby Energy Cooperative provides much more than competitively priced, reliable energy. We are committed to supporting our communities and improving the quality of life for the consumer-members who live here.

OUR BOARD

The support and dedication of our board is essential. In addition to providing supervision

and guidance of Shelby Energy Cooperative, board members receive important education and training, so they are prepared to support your co-op as we deal with the complex challenges of electric service.

Every member of the Shelby Energy Cooperative board of directors is a member of this co-op, democratically elected by the membership to represent the interests of all members, not special interests or outside agendas. Shelby Energy Cooperative board members are your neighbors, not corporate or activist types who live hundreds or thousands of miles away.

MEMBER SUPPORT

As a cooperative, Shelby Energy is your consumer advocate, speaking up for commonsense policies that promote reliable power as cost-effectively as possible.

With our fellow co-ops' support, we advocate for member interests, such as preventing extra charges from appearing on your bill, promoting a robust mix of energy

▲
Billing and Customer Services Manager Nan McCarty shows Customer Support Representative Tracy Bohannon how to view customer information.

Above right, Shelby linemen Luke Makoski and Jeff Lea pull wire.

▶
Customer Support Representative Evelyn Lancaster works with IT Manager Dustin Peach to resolve technical issues.
Photos: Tim Webb

On the cover: Richard Spoonamore, lineman, talks linework with students at Eastern Elementary. Photo: Shelby Energy staff



sources and protecting the not-for-profit cooperative business model.

Amid rampant inflation, Shelby Energy Cooperative is a resource hub for members who need help. We follow the cooperative principle, “Concern for Community.” Shelby Energy Cooperative partners with area Community Action agencies to help support families in need of financial assistance to keep their heat on through our WinterCare program. For each member who donates \$50 or more to WinterCare, Shelby Energy will match \$50. Employees volunteer at the Ronald McDonald House and the Special Olympics Kentucky Summer Games in addition to participating in local community events year-round. This year, Shelby Energy sponsored one student on the Kentucky Electric Cooperatives Washington Youth Tour and awarded scholarships to eight other students.

COMMUNICATIONS

Shelby Energy Cooperative is committed to open, transparent and helpful communications. In *Kentucky Living*, on social media and on Shelby Energy Cooperative’s website, we share updates, tips and important information about our communities. We combat scam attempts targeting our members, from phone scams to dishonest sales pitches.



Energy Cooperatives, Shelby Energy Cooperative supports local businesses and works to attract new employers, such as Wieland, to the service territory. With some of the most competitive electric rates in the country and our record of reliability and resilience, we have a great story to tell.

Barbie Goodwin,
engineering specialist,
cleans up at the Ronald
McDonald House.

ON THE LINE

All of us at Shelby Energy Cooperative are committed to safely supporting our membership. Though any business benefits from a safety culture, the inherent dangers of electricity require Shelby Energy Cooperative to be especially dedicated to safety.

Our crews follow strict guidelines and receive regular training so that they can return home safely no matter the conditions or tasks at hand.

A SUPPORT NETWORK

Our cooperative is supported by our members, as well as East Kentucky Power Cooperative, Kentucky's Touchstone Energy Cooperatives, the statewide association Kentucky Electric Cooperatives, and the collaboration of more than 900 electric cooperatives nationwide.

As Shelby Energy Cooperative provides this annual report of our operations, please know how much we value and rely on you. We're here for you, too, as we work together to support our communities.

As a consumer advocate, Shelby Energy Cooperative is a clearinghouse for reliable information about matters that affect your bill and electric service, such as the rising costs for fuels used to create electricity, energy efficiency ideas to help manage your costs and protecting the sales tax exemption for utility services at primary residences.

Shelby Energy Cooperative supports members with our SmartHub app, SimpleSaver program for thermostat and AC rebates and energy audits when energy usage drastically increases.

ECONOMIC DEVELOPMENT

In partnership with Kentucky's Touchstone



Pam Goetzing,
dispatcher, volunteers
with Special Olympics.
Photos: Tim Webb

AGENDA

Annual Meeting of Members Shelby Energy Cooperative

Henry County Fairgrounds

Thursday, June 15

Registration: 9 a.m.–2 p.m.

Business Meeting: 2:30 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 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 approved 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).
8. Adjournment.



Jack Bragg Jr.
President & CEO



Ashley Chilton
Chairman



Pat Hargadon
Vice Chairman



Roger G. Taylor Jr.
Secretary-Treasurer



Diana Arnold
Director



Jeff Joyce
Director



R. Wayne Stratton
Director



Alan Q. Zaring
Attorney

2022 Shelby Energy Cooperative YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2022

Anderson County	14
Carroll County	875
Franklin County	8
Henry County	4270
Jefferson County	2
Oldham County	124
Owen County	80
Shelby County	8,648
Spencer County	162
Trimble County	3,398
Total	17,581

ACCOUNTS BILLED

202217,744

AVERAGE KWH USAGE

(residential per month)

2022 1,252

MILES OF LINE

20222,196

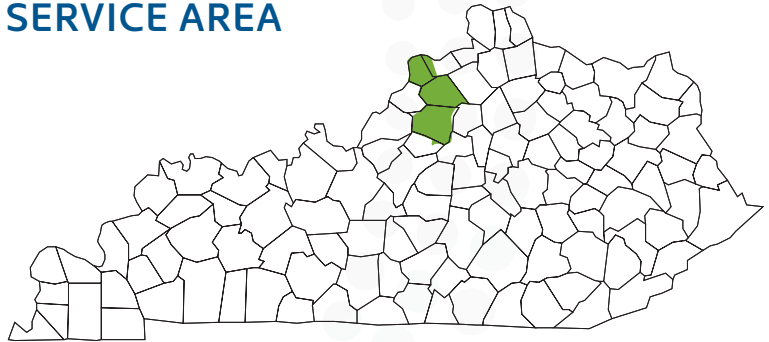
CONSUMERS PER MILE

2022 8.00

FOR INFORMATION AND INQUIRIES

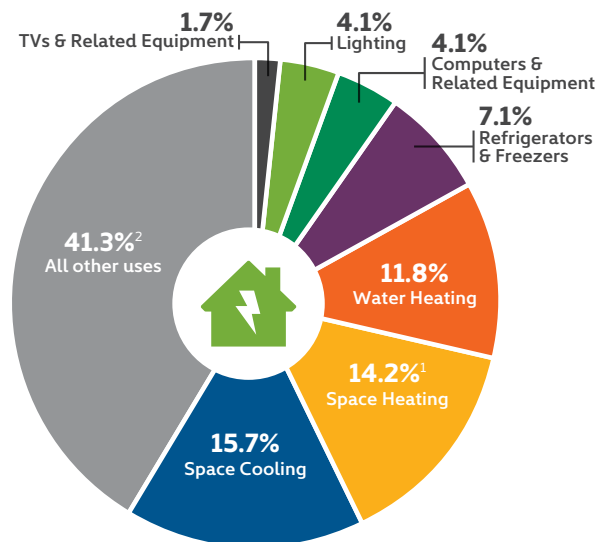
620 Old Finchville Road
Shelbyville, KY 40065
(800) 292-6585
www.shelbyenergy.com

SERVICE AREA



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.

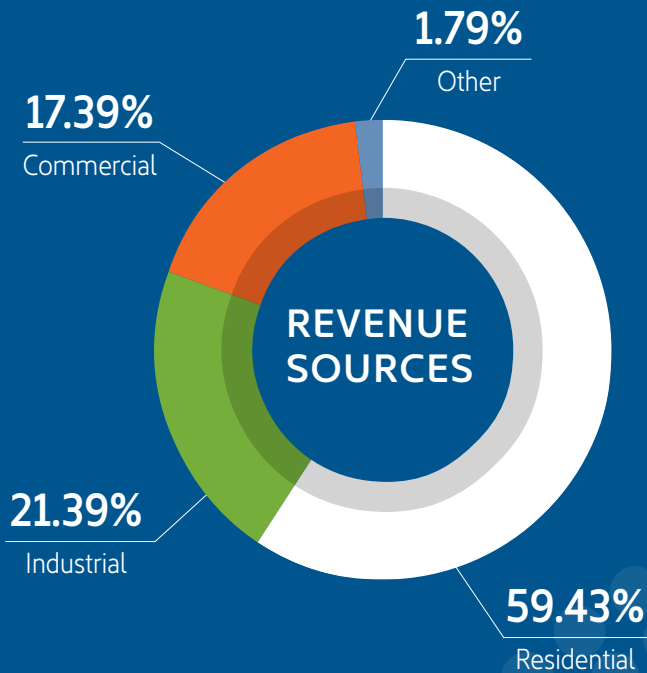


Source: Energy Information Administration 2021

¹Includes consumption for heat and operating furnace fans and boiler pumps.

²Includes miscellaneous appliances, clothes washers and dryers, stoves, dishwashers, heating elements, and motors.

FINANCIALS



STATEMENT OF OPERATIONS

As of December 31, 2022

Operating Revenue..... \$55,470,887

OPERATING EXPENSE

Purchased Power \$41,971,379
 Operating System..... 6,954,917
 Depreciation..... 3,919,633
 Taxes 44,865
 Interest on Loans 2,134,628
 Other Deductions 79,285

Total Cost of Electric Service \$55,104,707

Operating Margins \$366,180
 Non-Operating Margins..... 772,395
 G & T Capital Credits 1,395,150
 Other Capital Credits 173,825

Patronage Capital and Margins \$2,707,550

BALANCE SHEET

As of December 31, 2022

ASSETS

Total Utility Plant..... \$116,832,826
 Less Depreciation 25,664,907
 Net Utility Plant 91,167,919
 Investments in Associate Organization 34,725,965
 Cash 1,236,852
 Accounts and Notes Receivable 6,445,910
 Inventory..... 1,278,288
 Prepaid Expenses..... 314,092
 Deferred Debits and Other Assets 2,055,122

Total Assets \$137,224,148

LIABILITIES

Consumer Deposits..... 1,542,165
 Membership and Other Equities 55,471,012
 Long-Term Debt..... 69,600,684
 Notes and Accounts Payable..... 8,162,144
 Accum. Oper. Provisions 1,271,975
 Other Current Liabilities..... 1,176,168

Total Liabilities \$137,224,148

Official Notice

2023

Shelby Energy Cooperative Annual Meeting

THURSDAY, JUNE 15

Henry County Fairgrounds

1106 Castle Hwy
Eminence, KY 40019

Registration: 9 a.m.–2 p.m.
Business Meeting: 2:30 p.m.

- Refreshments
- Buckets & bulbs
- Free gifts
- Local vendors
- Kids' activities



Member Rewards Day

Come in and receive a bucket and LED bulb and register for a prize giveaway (one prize awarded at each office). Members do not need to be present to win.



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