

RELIABLE  
**RESPONSIVE**  
RESILIENT

# ANNUAL 2021 REPORT

 **Shelby Energy Cooperative**

A Touchstone Energy® Cooperative 



# RESPONSIVE

**B**ecause we are owned by the people we serve, Shelby Energy Cooperative has a unique accountability to our consumer-members. Throughout our history, it has been our duty to respond and adapt quickly to new and changing circumstances.

Every generation brings its own unique set of challenges, from equipment shortages during World War II to costly regulations in recent decades. Through it all, Shelby Energy has worked with fellow cooperatives across Kentucky, and the nation to advocate for at-cost and reliable electric service for you.

The last few years have been full of challenges. And in this annual report, we would like to share a few examples of how Shelby Energy Cooperative is responsive to those needs with the best interests of our local communities always top of mind.

At our core, Shelby Energy is responsive to consumer-members we serve because we are led by fellow co-op members. Every member of the Shelby Energy 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 some corporate or activist types who live hundreds or thousands of miles away.

We are proud of our board and grateful for their service. In addition to their supervision and guidance of Shelby Energy Cooperative, board members receive important education and training, so they are prepared to deal with the complex world of electric service.

From ice and snowstorms, to flooding and tornadoes, 2021 was one of the most challenging weather years in Kentucky history. Shelby Energy was responsive to these challenges.

After winter storms made their way out of our local forecast in February 2021, crews from Shelby Energy Cooperative mobilized to provide mutual aid to two cooperatives in eastern Kentucky, Grayson RECC and Big Sandy RECC. We were very fortunate to avoid catastrophic ice accumulations. However, we have been in their shoes before, and we knew how much assistance from neighboring cooperatives can help. By being responsive to this crisis, Shelby Energy crews not only helped our fellow co-ops, they also received crucial restoration experience.

Of course, these natural disasters came amid the second year of COVID-19. Though everyone is ready for the end of the pandemic, it is the responsibility of Shelby Energy Cooperative to both comply with laws and regulations and protect the health and safety of employees and members. The co-op:

- Temporarily closed our office lobby to the public.
- Advised members not to approach crews to avoid potential exposure.
- Supported community COVID-19 efforts.
- Shared consistent messaging on social media, the co-op website and in *Kentucky Living*.
- Adjusted the annual meeting to accommodate safety restrictions.

We know from our safety culture that complacency is a threat, so while our team worked to preserve member access to Shelby Energy, we also remained intentional about following safety protocols.

■ Cover, Shelby Energy Leadership Team, from left, Jason Ginn, Nanette McCarty, Mike Mason, Jack Bragg, Randy Stevens, Michael Moriarty, Dustin Peach, and Dylan Staples, not pictured.

■ Opposite top, line technicians assisted neighboring cooperatives during the ice storms of 2021. From left, Luke Makowski, Benji Bohannon, Richard Spoonamore, Chandler Ping, Matt Reide, Cooper Wafzig, Dallas Gibson, Michael Nethery and Jeff Lea.

■ Opposite bottom, Shelby Energy partners with Davis H. Elliot contractors to complete pole upgrades to improve reliability throughout the service area. Photos: Melanie Crossfield



Shelby Energy  
was built by,  
belongs to and is  
led by people in the  
communities we  
serve.





Being responsive to this crisis also means addressing its economic implications. While maintaining the financial stability of Shelby Energy Cooperative, our board and staff have continued to work with members who face financial uncertainty, connecting them with resources and helping them stay current on their bill rather than racking up large balances.

Following the cooperative principle of “Concern for Community,” Shelby Energy Cooperative and our employees support our members and their charitable efforts, by:

- Volunteering for local charities/ civic events.
- Donating to sports teams and local nonprofit organizations.
- Offering scholarships for students.
- Sponsoring students in the Kentucky Electric Cooperative Youth Tour experience.

In partnership with East Kentucky Power Cooperative, Shelby Energy is responsive to the

needs of local businesses and works to attract new employers, such as Kentuckiana Curb Co. Inc. (KCC Manufacturing), which expects to bring 700 jobs to Shelby County when operations begin in 2023. 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.

We are grateful to the people who built Shelby Energy Cooperative in 1937 and everyone who has contributed to the stewardship of our co-op ever since. They all were responsive to the challenges and opportunities they faced. We are also grateful to the over 13,000 consumer-members we serve in nine Kentucky counties. You are the reason we exist, and we pledge to be responsive, reliable and resilient as we work to serve you and these communities we all call home.

Thank you for letting Shelby Energy Cooperative serve you, and feel free to reach out to us anytime you have a question.

■ Above, Shelby Energy employees volunteer to prepare meals at the Ronald McDonald House in Louisville.

■ Right, line crews replace aged poles and line to improve reliability for members in Carroll County. Photos: Melanie Crossfield





**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

## ANNUAL MEETING OF MEMBERS SHELBY ENERGY COOPERATIVE

**When:** Thursday, June 16

**Where:** Henry County Fairgrounds

**Registration:** 9 a.m.–2 p.m.

**Virtual Business Meeting:** 2:30 p.m.

**Registration:** (Drive-thru optional) Shelby Energy invites all members to join in the celebration of the 85th Annual Meeting on June 16 from 9 a.m. to 2 p.m. at the Henry County Fairgrounds. Members can register by drive-thru or stay and visit local vendor booths and learn more about the benefits of your cooperative membership. Each registered member will be entered to win prizes (winners to be announced June 17).

**Virtual Business Meeting:** Members may watch the business meeting live on Shelby Energy's Facebook page or at [www.shelbyenergy.com](http://www.shelbyenergy.com), or email [shelbyenergy@shelbyenergy.com](mailto:shelbyenergy@shelbyenergy.com) by June 15 to request a Zoom meeting link for this event.

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

# AGENDA

# 2021

# SHELBY ENERGY YEAR IN REVIEW

## ACTIVE ACCOUNTS

As of December 31, 2021

Shelby County .....	8,424
Henry County .....	4,271
Trimble County .....	3,427
Carroll County .....	886
Spencer County .....	149
Anderson County .....	17
Franklin County .....	8
Owen County .....	81
Oldham County .....	123
TOTAL .....	17,387

## ACCOUNTS BILLED

2021 .....	17,255
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## AVERAGE KWH USAGE

(residential per month)

2021 .....	1,343
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## MILES OF LINE

2021 .....	2,178
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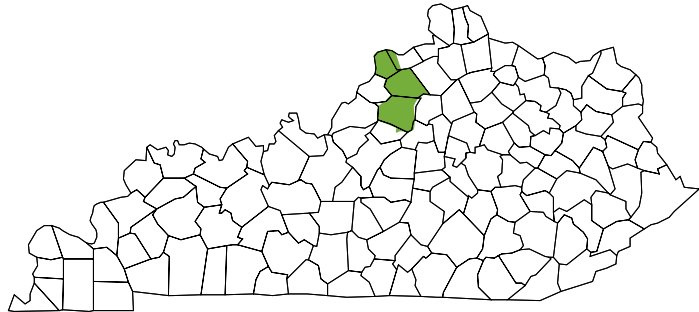
## CONSUMERS PER MILE

2021 .....	7.92
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## FOR INFORMATION AND INQUIRIES

620 Old Finchville Road  
 Shelbyville, KY 40065  
 (800) 292-6585  
[www.shelbyenergy.com](http://www.shelbyenergy.com)

## SERVICE AREA



We clear certain areas in our service territory, known as rights-of-way, to:

- Keep power lines clear of tree limbs
- Restore power outages more quickly
- Reduce unexpected costs for repairs



Maintaining rights-of-way improves service reliability for you—our members!

# Y COOPERATIVE

## STATEMENT OF OPERATIONS

As of December 31, 2021

Operating Revenue .....\$46,797,182

### OPERATING EXPENSE

Purchased Power .....\$33,493,466

Operating System.....5,331,490

Depreciation.....3,703,179

Taxes.....1,111,102

Interest on Loans .....2,044,854

Other Deductions.....33,185

**Total Cost of Electric Service ..... \$45,717,276**

Operating Margins .....\$1,079,907

Non-Operating Margins .....1,414,773

G & T Capital Credits .....382,897

Other Capital Credits .....169,172

**Patronage Capital and Margins .....\$3,046,749**

## BALANCE SHEET

As of December 31, 2021

### ASSETS

Total Utility Plant.....\$109,387,018

Less Depreciation .....23,408,706

Net Utility Plant .....85,978,312

Investments in Associate Organization.....\$33,370,554

Cash.....1,482,000

Accounts and Notes Receivable.....4,242,880

Inventory.....593,163

Prepaid Expenses .....313,301

Deferred Debits and Other Assets .....1,968,255

**Total Assets ..... \$127,948,465**

### LIABILITIES

Consumer Deposits .....\$1,551,360

Membership and Other Equities .....52,775,150

Long-Term Debt .....66,884,909

Notes and Accounts Payable .....4,261,323

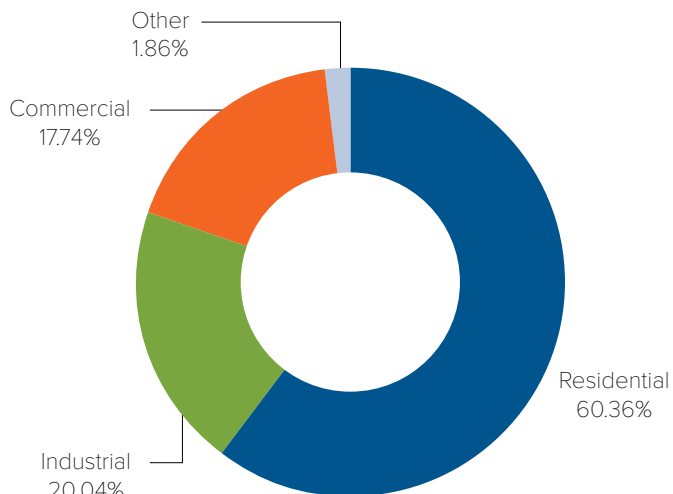
Accumulated Oper. Provisions .....1,377,720

Other Current Liabilities .....596,284

Deferred Credits.....501,719

**Total Liabilities.....\$127,948,465**

## REVENUE SOURCES



## COMMUNITY-FOCUSED

Electric cooperatives are different than other types of energy providers.

- We are led by consumer-members just like you.
- We were built by the community we serve.
- We still belong to the community.



2022

# SHELBY ENERGY COOPERATIVE ANNUAL MEETING

THURSDAY, JUNE 16

## HENRY COUNTY FAIRGROUNDS

1106 Castle Hwy, Eminence KY 40019

Registration: 9 a.m.–2 p.m. *drive-thru optional*

Virtual Business Meeting: 2:30 p.m.

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



### FREE bucket and bulbs

Register from 9 a.m.–2 p.m. to receive your bucket and bulbs. All registered members will be entered to win prizes. Drive-thru registration is optional. Members are invited to stay and enjoy a variety of locally sponsored booths and activities!



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