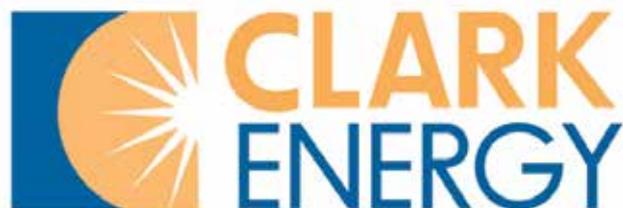


# Connecting with our community

2016 Annual Report



A Touchstone Energy Cooperative 



Looking back at 2016, it's easy to recognize the tremendous changes we witnessed as a nation and as a commonwealth, even some changes here in our own community.

As fortunes were rising and falling in politics and other news events, one thing that didn't change was Clark Energy Cooperative's commitment to you—our member—and to our community.

Reliability goes beyond knowing your lights will come on when you flip the switch.

For 79 years, since local farmers and citizens first formed Clark Energy, we have been here to power our communities.

Electric cooperatives are driven by people, not profits, and improving the quality of life for our members is a priority.

As a member-owner of Clark Energy Cooperative, your co-op is locally owned and controlled for the benefit of all our members. Unlike investor-owned utilities, a cooperative's goal is not to make a profit, but to provide a reliable and affordable product. Your membership matters because you have a voice—you can attend annual meetings, offer suggestions, and vote for a board of directors that is charged with running your co-op.

This annual report focuses on how Clark Energy connects with our communities in a variety of ways beyond providing safe, reliable, and affordable electric service to you, our member-owner.

## GROWING ECONOMIC DEVELOPMENT

One way we are a true community partner is our commitment to support and grow the communities we serve, encouraging development to improve our members' quality of life. That means being proactive and working with other economic development entities to attract jobs and industry.

The owner-member electric cooperatives of East Kentucky Power Cooperative, our power supplier, recently developed PowerVision. This innovative program uses the latest drone technologies to provide an aerial showcase of available commercial and industrial tracts across areas served by Kentucky's Touchstone Energy Cooperatives.

## SAFETY FIRST

Safety is our top priority at Clark Energy, for both co-op employees and the members we serve. To paraphrase a quote, "electricity is a useful servant but a terrible master." Each day our service to you begins with that idea and safety in mind. We believe a safe community is a prosperous community.

Clark works with a number of partners to cultivate a culture of safety. We speak with students, first responders and other emergency management professionals, and present electric safety demonstrations at community events. Clark Energy's line technicians and employees

**Cover:** Clark Energy journeyman lineman Richard Steele connects with our member-owners almost every day working in the service area making sure safe, affordable, and reliable electricity gets to you. Photo: Tim Webb

**Left:** Clark Energy's Richard Steele, journeyman lineman, on the left, and Barney Toy, safety and material coordinator, provide an electrical safety demonstration to students and teachers from the Clark County Home School Association. Photo: Charlie Pasley

**Below:** For the past several years, Clark Energy has sponsored veterans on the Kentucky Honor Flight. Honor Flight takes World War II, Korean, and Vietnam veterans to our nation's capital for a day trip of seeing the military monuments. Below, 2016 Honor Flight recipients Paul Gray, left, and Roy Bates, right, in Washington, D.C. Photos: Tim Webb





One of Clark Energy's biggest community events is the yearly annual meeting, this year being held during the latter part of June. Above, members pick up their traditional bucket filled with energy-efficient light bulbs. Photo: Sarah Bucknam

continually receive training and participate in awareness programs.

We also work continuously to deliver the safety message, through our monthly safety column in *Kentucky Living* magazine and in the interactions with Member Services teams.

In 2016, Clark Energy's rodeo team won the state-wide Linemen's Rodeo, a competition where events are designed to emphasize doing the job right while also doing so safely.

## POWERFUL INNOVATIONS

As technology gets more sophisticated, so does Clark Energy, raising the standards for reliable electricity. Delivering the energy you need in your homes and businesses involves a complex process. State-of-the-art equipment helps make that process a little more clear.

Clark Energy's most recent innovations include a complete system inventory and GPS information for all Clark Energy facilities. This project allows Clark to more effectively locate and maintain equipment as well as increase crew efficiency, maintenance, and design operations. Clark is also upgrading the existing AMR system to AMI for increased consumer options for usage information and prepaid accounts, equipment communication, voltage, and outage information.

Technology has also helped Clark serve you more

efficiently. From online payments to checking your energy use, you are afforded the most up-to-the-minute information.

## WAYS WE CONNECT

Of the seven core cooperative principles Clark Energy endorses, we could argue the most important is Concern for Community. Cooperatives work for the sustainable development of communities, through policies approved by our members.

You see your cooperative's name on the uniforms of local youth sports teams, as a sponsor of community events, and with co-op employees volunteering their time for local charities.

Clark Energy is proud to call this community home, and we know our commitment to "Connect with Our Community" is something you expect, just as much as the light that follows when you flip a switch in your home.



A Truist Energy Cooperative

# agenda



*Chris Brewer  
President and CEO*



*William Shearer  
Chairman*

## OFFICIAL BUSINESS MEETING AGENDA ANNUAL MEETING OF MEMBERS CLARK ENERGY COOPERATIVE, INC.

Where: Stanton City Park, 1 Pirate Drive, Stanton, KY

When: Friday, June 23, 2017

Registration: 10 a.m. – 2 p.m.

Business Meeting: 2 p.m.



*Steve Hale  
Vice Chairman*



*O.H. Caudill  
Secretary-Treasurer*

- Call to Order
- Invocation
- Establish Chairman for Meeting
- Welcome
- Recognition of Board of Directors
- Determine Quorum Present
- Reading of the Notice of Meeting and Proof of Mailing
- Approval of Membership Meeting held May 20, 2016
- Announcement of Board of Directors Election Results
- Comments and Reports from Clark Energy Cooperative's President and CEO
- Unfinished Business
- New Business
- Adjournment



*Walter Ballard Jr.*



*Dewey Hollon*



*Gale Means*



*Allen Patrick*



*Bobby Russell*



*James Wells*



*John Pumphrey  
Attorney*

# 2016 Clark Energy

## ACTIVE ACCOUNTS

(meters served)  
(as of December 31, 2016)

BATH .....	1,454
BOURBON .....	1,077
CLARK .....	4,176
ESTILL .....	81
FAYETTE .....	99
MADISON .....	3,042
MENIFEE .....	4,058
MONTGOMERY .....	5,163
MORGAN.....	22
POWELL.....	6,887
ROWAN .....	289
Total.....	26,348

## ACCOUNTS KILOWATT-HOUR USE

(residential per month)

2006.....	1,107
2016 .....	1,087

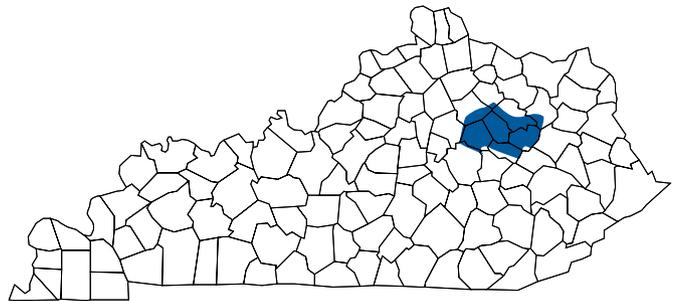
## MILES OF LINE

2006.....	2,966
2016 .....	3,103

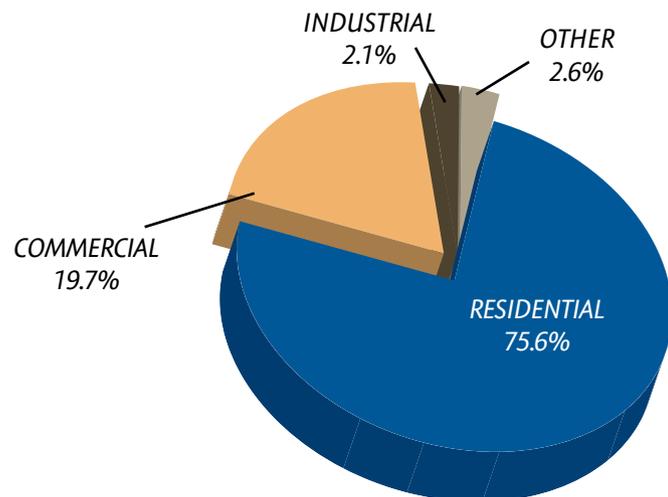
## CONSUMERS PER MILE

2006.....	8.66
2016 .....	8.49

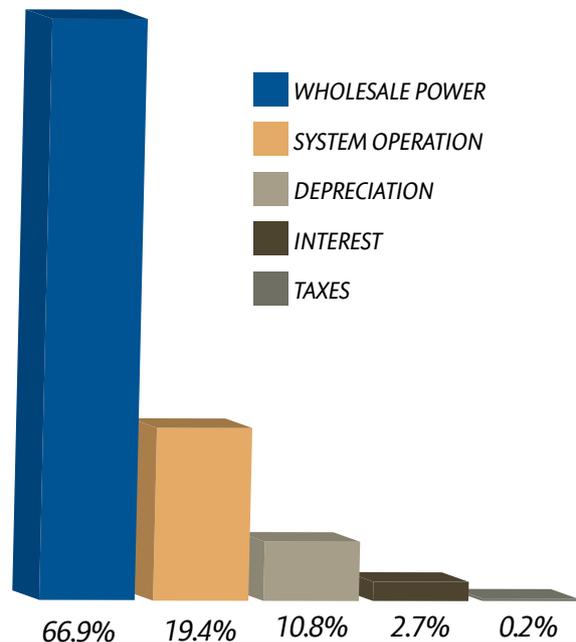
## SERVICE AREA



## REVENUE SOURCES



## MAJOR COSTS



## STATEMENT OF OPERATIONS

For the Year Ending December 31, 2016

Operating Revenue and Patronage Capital.....	\$46,539,608
<b>Operating Expense</b>	
Purchased Power .....	\$30,622,829
Operating and Electric System .....	\$8,900,993
Depreciation.....	\$4,942,385
Interest on Loans .....	\$1,242,437
Other.....	\$97,071
Total Cost of Electric Service.....	\$45,805,715
 Patronage Capital and Operating Margins .....	\$733,953
Non-Operating Margins .....	\$59,283
Capital Credits-	
Associated Organizations .....	\$79,878
G&T Capital Credits .....	\$2,177,586
Income From Investments .....	\$271,401
Total Patronage Capital and Margins .....	\$3,322,101

## BALANCE SHEET

For the Year Ending December 31, 2016

### ASSETS

Total Utility Plant.....	\$124,516,162
Less Depreciation.....	\$37,404,019
Net Utility Plant and Book Value .....	\$87,112,143
Other Property and Investments .....	\$26,371,685
Cash and Reserves.....	\$422,890
Investment in Subsidiary.....	\$2,057,355
Owed to Co-op on Accounts and Notes.....	\$2,426,754
Material Inventory .....	\$488,456
Expenses Paid in Advance.....	\$163,002
Deferred Debits and Other Assets .....	\$2,844,978
Total Assets .....	\$121,887,263

### LIABILITIES

Margins and Equities.....	\$55,808,321
Consumer Deposits .....	\$1,040,489
Long-Term Debt .....	\$57,527,833
Notes and Accounts Payable.....	\$3,363,446
Other Current and Accrued Liabilities.....	\$4,147,174
Total Liabilities .....	\$121,887,263



TOUCHSTONE ENERGY



# 2017 ANNUAL MEETING AND MEMBER REWARDS DAY FRIDAY, JUNE 23

## ANNUAL MEETING

LOCATION:	Stanton City Park, 1 Pirate Dr., Stanton, KY
REGISTRATION:	10 a.m. to 2 p.m.
EXHIBITS:	10 a.m. to 2 p.m.
HEALTH FAIR:	10 a.m. to 2 p.m.
FOOD:	11 a.m. to 2 p.m.
BUSINESS MEETING:	2 p.m.
PRIZE GIVEAWAYS:	2:30 p.m.

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



## MEMBER REWARDS DAY 10 a.m. to 2 p.m.

Winchester and Frenchburg  
office locations **ONLY!**  
Come in and receive a bucket of bulbs  
and register for a prize giveaway  
(one prize awarded at each office).  
Members do not need to  
be present to win.

Each registered member will  
receive a bucket of bulbs and  
will be entered into drawings  
for door prizes. Members  
**MUST** be present to win.

\*The Clark Energy Stanton  
office location will be closed  
Friday, June 23, 2017, from  
10 a.m. to 3 p.m.

