

Straight Talk from the CEO



Carol Hall Fraley
President/CEO

“To know where you’re going, you have to know where you’ve been”

Can you read a map? It seems like map reading is a dying art. Everyone, except those technically challenged like me, use their GPS. Now, don’t get me wrong. We are right in the middle of GPS mapping our system and I know the information we will be able to use will be very valuable. I just think there is still merit to being able to look at a map and navigate from one place to another, or being able to find your way out of the woods using only signs from nature.

But my point is this: you have to know where to start and stop. You have to be able to know where you have been and where you want to go. If our board was not able to make plans and set goals, it would be very difficult to get a solid financial picture and show tangible results of where we are heading.

We have to build on a solid foundation or our projects will be random and ineffective. In 1994, when I first became CEO, our Maintenance, Construction, and Engineering departments came together to take a hard look at where we were. It was not a pretty pic-

ture. We made a list of 72 projects that were in the highly necessary to critical range. One of the major parts of that list was right-of-way. Our system was “haired over” as some of the old folks would say.

Right-of-way is one of those weird areas that costs a lot of money, but it doesn’t make any money. However, it does reduce outage time and overtime costs; it increases safety, member satisfaction, and reliability. It may not produce dollars, but the other results are great. We know this because our outage time is low. We also know this because you tell us. A lot of people tell me they appreciate how the system right-of-way looks today. Out of 72 necessary projects in 1994, we chose 13 of the most critical to include in our four-year work plan. A few years later, we were able to get about 16 projects in our next work plan, along with new line extensions, various tie lines, and pole change-outs. Each and every year, we could see a difference in our service and our relationships with our members.

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Board Chairman Harold Dupuy of Greenup County receives his lapel pin signifying his successful completion of Director’s “Gold” certificate from NRECA. He is pinned by President & CEO Carol Hall Fraley.

Straight Talk from the CEO

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Here are some of our projects in 2016:

- Completed the Stark Job in Elliott County, re-conducted and added new poles to 8.20 miles of line and converted to 3 phase.
- Completed a tie line at Campbell Lane Estates, 1.30 miles
- Completed Montgomery Road in Greenup and Lewis counties, 5 miles of 3 phase line re-conducted and new poles
- Completed Argentum – Circuit 1, Schultz Road to Sheep Hollow, Greenup County, 1.98 miles, multiphase and reconductor with new poles
- Completed Argentum Circuit 1, Rt. 7, 1.38 miles to 3 phase, and Timberlake Meadows .27 miles, multiphase and reconductor to 3 phase.
- In December 2016, we started Elliottville, Circuit 1, Rt. 173, 3 miles to 3 phase and Iron Hill at Carter City, 1 mile multiphase and reconductor to 3 phase.
- We initiated a new mapping system that is going extremely well and we are now feeding that information into our system.
- We are one of only a few cooperatives in the East Kentucky Power System that has not filed for a rate increase this year. I wish I could promise that we won't have one next year, but a lot will depend on the weather and usage.
- We were able to refinance our long-term debt to save \$1 million over the life of the loan.
- Our long-term accident insurance rate is one of the lowest in the state.
- We have the same number of employees that we have had for the last 20 years.
- We have a new radio system that links our system with East Kentucky Power and other Kentucky cooperatives.
- We have started a new PrePay program that helps members who cannot pay a large deposit. The Pre-Pay program also has a Debt Management component that helps keep our charge-off amounts lower.
- We have installed a number of remote disconnect meters at locations, such as rental property, to save



Board Vice Chairman Jim Bentley of Carter County accepts his certification as a credentialed cooperative Director through the National Rural Electric Cooperative Association from President & CEO Carol Hall Fraley.

trip charges and labor costs.

- We have also started using iPads in the field. Each serviceman gets their work instructions electronically. Sometimes a maintenance man may be in the area and can take care of a job immediately. When the job is completed, the work can be turned in and any corrections or upgrades can be made.
- We have also read every meter on the Pactolus, Leon, Pelfrey, Carter City, Mazie Airport Road, and Elliottville substations, looking for safety violations, reclassifications, and services that need to be retired. This will give us a better picture of demographics of our service territory.
- This year we have paid over \$150,000 in deceased estate capital credits to properly applied for accounts. These are up to date and most are reconciled within 30 days.
- We just received an excellent report from a bi-annual Rural Utilities Services audit.

We are very thankful for the new residential members, small commercial, and large power accounts that have joined the cooperative this year. I don't mean to brag, but I think our members deserve a report on what their cooperative is doing. We work hard to keep your rates down and your service up. Please call me any time if you have questions.

–Carol Hall Fraley, President and CEO

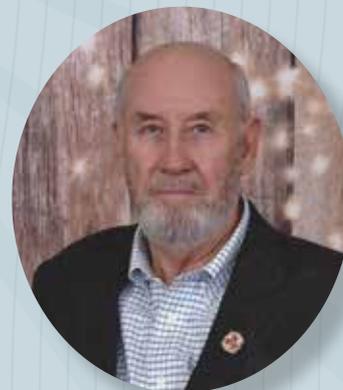
Celebrating 80 Years of Service at the **2016 SERVICE AWARD BANQUET**



Jeanie Virgin
Thirty Years of Service



Michael Blevins
Twenty-five Years of Service



Kenneth Arrington
Fifteen Years of Service



Bradley Cherry
and Cait Hutchinson
Five Years of Service

NOTICE OF FILING

On January 31, 2017, Grayson Rural Electric Cooperative Corporation (“Grayson RECC”) filed a Community Solar Tariff. Under the Community Solar Tariff, Grayson RECC’s Members will be able to voluntarily license solar panels within East Kentucky Power Cooperative, Inc.’s (“EKPC”) eight and a half (8.5) MW community solar facility on the premises of EKPC’s headquarters in Clark County, Kentucky (“Project”). Under the Community Solar Tariff each participating Member will effectively pay the initial capital cost of the Project through a one-time, \$460 license fee for each licensed panel. A participating Member may offset up to one hundred percent (100%) of his or her average annual consumption of electricity from the previous three (3) years. Participating retail customers will receive a monthly credit on their electric bill which will return the value of their licensed solar generation capacity as well as the value of the generated energy associated with said capacity. Depending upon the Member’s preference, they may also receive the value of the solar renewable energy credits (SRECs) associated with their licensed panel(s). A monthly operations and maintenance expense debit will be deducted from the sum of the credits listed above. The average effect upon a participating Member’s average bill will vary depending on the Member’s usage patterns and the pricing applicable to the Project capacity, energy and SRECs during a billing period.

This is a new service offered by Grayson RECC, is strictly voluntary and open to all retail customer classes. There currently is no other Grayson RECC tariff in effect for community solar. The proposed effective date for the Community Solar Tariff will be March 2, 2017.

A person may examine this filing at the offices of Grayson RECC located at 109 Bagby Park, Grayson, Kentucky. This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission’s Web site at <http://psc.ky.gov>. Any comments regarding this filing may be submitted to the Public Service Commission through its website or by mail to: Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602.

The rates contained in this notice are the rates proposed by Grayson RECC, but the Public Service Commission may order rates that differ from the proposed rates contained in this notice.

A person may submit a timely written request for intervention to the Public Service Commission, P. O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Commission may take final action on the tariff filing.



Attention:

High School Juniors

Each year, Grayson RECC takes a group of high school juniors to Frankfort to visit the Capitol and learn about our government. Students are invited from every county we serve. Their parents or guardians should be members of Grayson Rural Electric. Two students will go on to then take a weeklong trip to Washington, DC, this summer. Please download an application at www.graysonrecc.com or contact Julie Lewis for more details. Please email julie.lewis@graysonrecc.com or call (606) 475-2191.

ATTENTION: High School Seniors and Non-traditional students

Be sure to apply for the Grayson RECC Annual Meeting Scholarship. Application deadline to receive scholarships is February 10, 2017. Scholarships can be found at www.graysonrecc.com or picked up from your school guidance counselor. For an emailed application or to have an application mailed to you, please contact Julie Lewis at (606) 475-2191.



LAST DAY TO PAY:
February 15

OFFICE HOURS:
7:30 A.M. - 4:30 P.M.
Monday-Friday

CONTACT US:
(606) 474-5136

OUTAGE CONTACT INFORMATION:
Call (800) 562-3532
Text 55050

BILL PAY OPTIONS:
Drive-thru
Mail
Mobile device
Online
Office
Phone

COUNTIES SERVED:
Carter, Elliott, Greenup, Lawrence,
Lewis, and Rowan

OUR MISSION
Grayson Rural Electric Cooperative Corporation exists to provide safe, efficient electricity and related services to our members, our communities, and others who may be affected by our actions and decisions.

PRESIDENT & CEO
Carol Hall Fraley

ATTORNEY
W. Jeffrey Scott

BOARD OF DIRECTORS
Harold Dupuy, Chairman
Jim Bentley, Vice President
Eddie Martin, Sec./Treasurer
Kenneth Arrington, EKPC Director
Jimmy Whitt, KAEC Director
William T. "Bill" Rice
Roger Trent



WWW.GRAYSONRECC.COM

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