



RELIABLE
RESILIENT
RESPONSIVE

ANNUAL 2020 REPORT



A Touchstone Energy Cooperative 



RESILIENT

Resilience is an important concept for Inter-County Energy. Though we are proud of and committed to a strong record of safe and reliable electric service for the nearly 27,000 consumer-members in 12 counties in central Kentucky, how we deal with adversity is what defines us. The dedication of our co-op team to respond in all kinds of conditions and all hours of the day and night is a hallmark of this resilient spirit.

This past year has been difficult for our nation, our state and the communities we serve.

The economic consequences of the pandemic and safety restrictions will be felt for a long time. From the beginning of this crisis, Inter-County Energy Cooperative has worked with those who are struggling and connected our consumer-members with resources to help.

In partnership with Kentucky's Touchstone Energy Cooperatives, Inter-County Energy bolsters local businesses and works to attract new employers, such as Diageo North America. They have located their distilling facility in the Lebanon-Marion County area and are now a proud member of that community. 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 also work with local businesses in their expansion and/or relocation efforts throughout our service territory.

Though no one predicted the pandemic, a commitment to safety and resilience means that Inter-County Energy trains for any unforeseen circumstance. As a result, no electric service was compromised by the restrictions and illnesses that affected other aspects of our community. In coordination with our statewide association, Kentucky Electric Cooperatives, we have worked with

state agencies and emergency management officials to ensure that co-op employees instrumental in maintaining the electrical grid are able to perform their duties despite health restrictions on public movement.

We know that the consumer-members who own Inter-County Energy are counting on us to do whatever it takes to power our communities, hospitals, businesses and farms. Our commitment to health and safety guides every decision we make. Throughout the COVID-19 crisis, Inter-County Energy has focused on keeping consumer-members and employees safe, while continuing to deliver reliable service. We learned to adapt on the go to change by doing the following:

- Our offices and drive-thru remained open but our lobbies at both offices were closed.
- Social distancing practices among employees by adhering to state guidelines.
- Increased our presence on social media through Facebook, Twitter, Instagram, co-op website, *Kentucky Living* by keeping our members better informed.
- Adjusted the annual meeting/member appreciation events to accommodate safety restrictions with both our members and employees.

As part of this commitment to safety, Inter-County Energy, President/CEO, Jerry Carter has joined the leaders of all 24 electric distribution co-ops in Kentucky pledging to meet several key safety goals. This statewide commitment prioritizes the elimination of employee electrical contacts, and the reduction of all incidents and their severity.

Inter-County Energy Cooperative was built by, belongs to and is led by people in the communities we serve—an elected board of 6 community leaders that

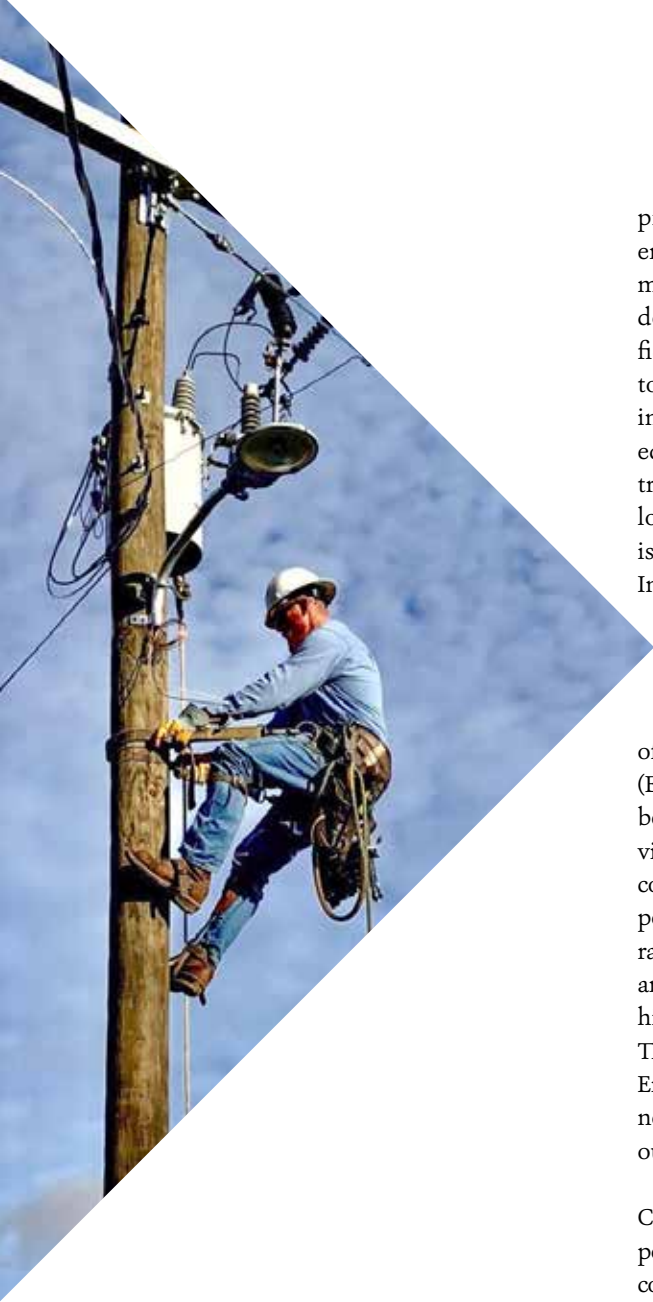
■ Bo McGuffey, Safety/Loss Control Coordinator, says "always play it safe around electricity." Photo: Morgan Janssen . Other cover photos: Tim Webb

■ Opposite top, Jason Murphy, Line Technician, working to restore power during the ice storm in February. Photo: Morgan Janssen

■ Opposite bottom, Member Services Representative Brittany Newcomb assists members at the drive-thru at the Lebanon office. Photo: Sam Bach



Inter-County
Energy was built
by, belongs to and
is led by people in
the communities
we serve



provides guidance and oversight to ensure that the needs of the co-op membership are represented in all decisions. Board members have a fiduciary duty that requires them to attend monthly board meetings and participate in regular education and training on industry trends and developments. This locally owned and operated model is key to our resilience because the Inter-County Energy board makes decisions with local concerns in mind, not those of out-of-town shareholders.

Inter-County Energy is an owner of East Kentucky Power Cooperative (EKPC), a not-for-profit, member-owned cooperative that provides energy to 16 Kentucky electric co-ops. EKPC generates energy at power plants fueled by coal, natural gas, solar and landfill methane, and delivers it over 2,800 miles of high-voltage transmission lines. This partnership helps Inter-County Energy keep rates low, attract business, create jobs and advocate for our local communities.

As a member of Kentucky Electric Cooperatives, Inter-County Energy pools resources with all electric co-ops in Kentucky to efficiently and effectively serve you. Membership

in this statewide association helps us effectively communicate with you in *Kentucky Living* magazine, speak up for co-op interests in Frankfort and Washington, and coordinate critical safety training and mutual aid response during major outages and disasters.

The resilience of Inter-County Energy Cooperative and the members who own the co-op go hand-in-hand. Our investments in our members and our communities include providing scholarships, sponsor rising high school seniors on the annual co-op Washington Youth Tour, supporting local arts and athletics. Co-op employees and board members are active and reliable members of the community, volunteering and committed to improving the quality of life here.

The dictionary definition of resilient matches the culture of Inter-County Energy, “able to recoil or spring back into shape after bending, stretching or being compressed.”

Like all of Kentucky and America, our communities have been through a lot over the last year. But the resilient spirit we share has allowed us to persevere and look forward to brighter days ahead, powered by Inter-County Energy.

■ Above, Chase Gander, Line Technician, working to maintain power lines. Photo: Josh Hale

■ Right, Kathy Goodlett, Member Accounts Representative, greets our members with a smile. Photo: Tim Webb



OFFICIAL NOTICE OF THE 2021 ANNUAL MEETING OF MEMBERS OF INTER-COUNTY ENERGY COOPERATIVE

Where: Inter-County Energy’s Main Office
1009 Hustonville Rd., Danville, KY

When: Friday, August 27, 2021

Registration: 7:30 a.m. to 4:30 p.m.

Business Meeting: 4:30 p.m.

Pursuant to Article III, Section 3 of the Cooperative Bylaws, the annual membership meeting of this co-op organizes to take action on the following matters:

- | | |
|---|--|
| 1. Call to Order | 6. Report of the Credentials and Elections Committee |
| 2. Appointment of Parliamentarian | 7. Election of Board of Directors for the Lincoln and Mercer Districts |
| 3. Determination of Quorum | 8. Unfinished Business |
| 4. Reading of the Official Meeting Notice and Proof of Mailing | 9. New Business |
| 5. Reading of the Minutes of the previous Annual Meeting of Members | 10. Report of the Officers, Board Members and Committees |
| | 11. Adjournment |

Absentee voting and registration for this year’s annual meeting will start in advance at our Danville and Lebanon offices on August 6, 2021, at 7:30 a.m. and end August 19, 2021, at 4:30 p.m. When registering, please remember to ask for a bucket and bulbs.

REPORT OF NOMINATING COMMITTEE

In connection with the election of two directors scheduled for this meeting, the following members have been certified and nominated for directors by the Credentials and Elections Committee appointed by the Board of Directors of the Cooperative—pursuant to the Bylaws:

Lincoln District

Jason E. Todd (Incumbent)
166 Logan Creek Rd.
Stanford, KY 40484

Mercer District

Louis A. Kerrick (Incumbent)
175 Mercer Ave.
Harrodsburg, KY 40330

Robert “Bob” E. Davis Jr.
1150 Dry Branch Rd.
Harrodsburg, KY 40330



Jerry Carter
President/CEO



Joseph Spalding
Chairman



Jason E. Todd
Vice Chairman



James K. Preston
Secretary-Treasurer



William Peyton



W. Allen Goggin



Louis A. Kerrick



James Hadden Dean
Attorney

2020

INTER-COUNTY YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2020

Garrard	4,992
Lincoln	7,497
Boyle.....	3,667
Marion.....	5,816
Mercer	2,044
Nelson	415
Casey.....	1,992
LaRue.....	160
Washington	253
Taylor	78
Madison.....	49
Rock Castle.....	34
TOTAL	26,997

ACCOUNTS BILLED

2020 26,997

AVERAGE KWH USAGE

(residential per month)

2020 1,141

MILES OF LINE

2020 3,944

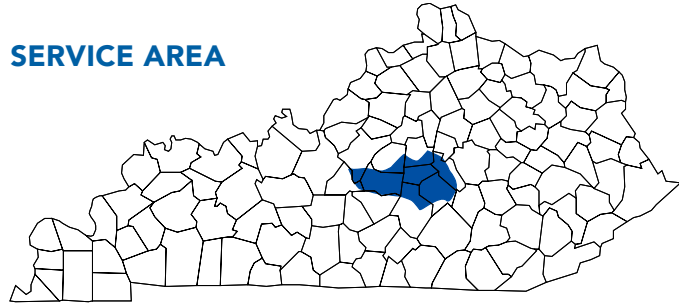
CONSUMERS PER MILE

2020 6.85

FOR INFORMATION AND INQUIRIES

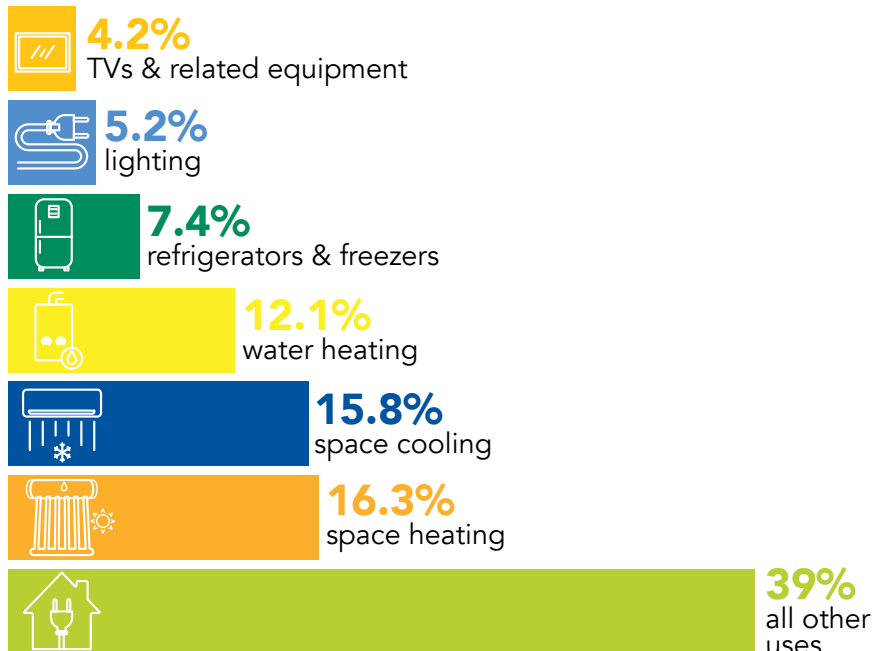
1009 Hustonville Rd.
Danville, KY 40422
(859) 236-4561 • 1-888-266-7322
www.intercountyenergy.net

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, computers, dishwashers, small appliances and other electrical equipment (noted as "other uses" below) accounts for nearly 40% of electricity consumption in American homes.



Source: EIA, Annual Energy Outlook 2020

¹Includes consumption for heat and operating furnace fans and boiler pumps. ²Includes miscellaneous appliances, clothes washers and dryers, computers and related equipment, stoves, dishwashers, heating elements, and motors.

ENERGY COOPERATIVE

STATEMENT OF OPERATIONS

As of December 31, 2020

Operating Revenue\$50,076,091

OPERATING EXPENSE

Purchased Power\$30,633,154
 Operating System.....\$11,077,164
 Depreciation\$4,594,914
 Taxes.....\$69,532
 Interest on Loans\$1,722,743
 Other Deductions\$176,828
 Total Cost of Electric Service\$48,274,335

Operating Margins\$1,801,756

Non-Operating Margins(\$47,618)

G&T Capital Credits\$1,239,831

Other Capital Credits\$100,030

Patronage Capital and Margins.....\$3,093,999

BALANCE SHEET

As of December 31, 2020

ASSETS

Total Utility Plant.....\$139,253,151
 Less Depreciation\$44,241,722
 Net Utility Plant\$95,011,429
 Investment in Associated Organizations.....\$32,513,892
 Cash.....\$4,366,662
 Accounts and Notes Receivable.....\$7,152,396
 Inventory.....\$601,088
 Prepaid Expenses\$271,942
 Deferred Debits and Other Assets\$794,822

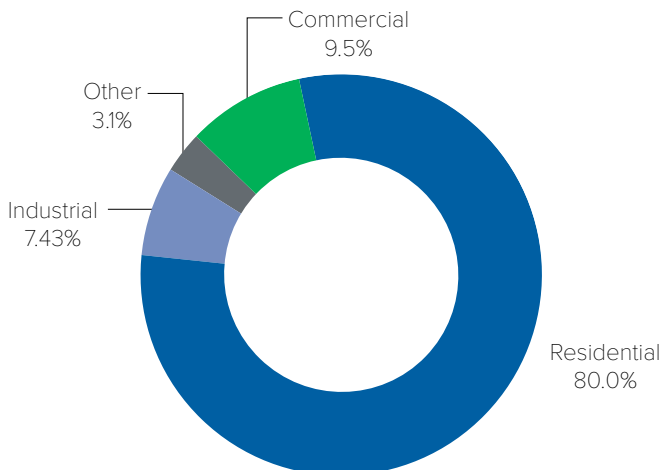
Total Assets \$140,712,231

LIABILITIES

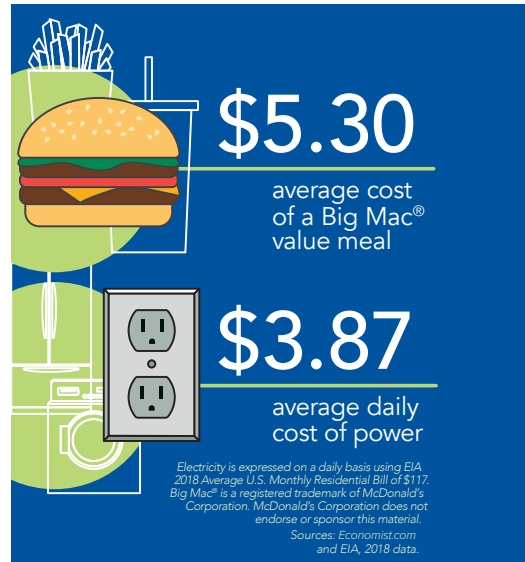
Consumer Deposits\$666,594
 Membership and Other Equities\$51,302,376
 Long-Term Debt\$74,591,110
 Notes and Accounts Payable\$4,556,933
 Other Current Liabilities\$9,595,218

Total Liabilities and Member Equity\$140,712,231

REVENUE SOURCES



THE VALUE OF ELECTRICITY



2021

INTER-COUNTY ENERGY COOPERATIVE ANNUAL MEETING

FRIDAY, AUGUST 27, 2021

Registration: 7:30 a.m.–4:30 p.m.

Business Meeting: 4:30 p.m.

Where: Inter-County Energy's
Main Office
1009 Hustonville Rd.
Danville, KY

MEMBER APPRECIATION DAY WEDNESDAY, AUGUST 18, 2021

Registration: 7:30 a.m.–4:30 p.m.

Where: Lebanon District Office
46 Old Kentucky 68
Lebanon, KY



FREE Energy-saving lightbulb for members who attend!

Each registered member will receive a bucket and LED bulb and will be entered into drawings for door prizes.



A Touchstone Energy Cooperative 