


Delivering the Power

2010
Annual
Report



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative 

The power of human connections

The report of the past year's successful operations at Nolin RECC includes attention to the latest utility technology, as well as the hard, dangerous, physical labor of putting up poles and stringing lines

Delivering the Power

IT'S A HIGH-TECH, PUSHBUTTON WORLD.

TV remotes change channels with hardly a twitch of our hand. Tiny phones bring the world to our fingertips. The microwave heats the soup and the fridge cools the soda without striking a match or hauling a block of ice.

These everyday amazements come so easily we forget how they get to us.

In order to string the power lines, wood poles weighing 1,200 pounds need to be raised and set in the ground every 100-300 feet. Before that, a hole needs to be drilled, 5-7 feet deep, through whatever clay or rock the ground offers. Transformers, weighing 400 pounds each, need to be hoisted to the top of the 40-foot-high poles so the high-voltage current can be stepped down to make it usable in your house.

All this lifting and hauling happens in most any weather—especially if a storm knocks out your power. Then, fallen trees must be cleared, poles put back up, and lines restrung no matter how many are down, no matter if there's a bone-chilling blizzard,

or a downpour on a hot day.

Add to all that the constant hazard of working around electricity, where skipping even the smallest safety procedure can result in permanent injury, or death.

This year, Nolin's annual report pays tribute to the hard-working crews who keep our lights on day and night. It also serves as a reminder that even as Nolin implements the latest technology, from satellite-based system monitoring to smart grid energy management systems, it is also taking care of the side of the business that calls for old-fashioned dedication to the tough, physical work of keeping your electricity reliable and affordable.

Delivering local values

Keeping your electricity reliable and affordable means running an extremely complex business at a high level at all times. In 2010, Nolin RECC posted another successful year.



Keeping your electricity flowing means year-round trimming of vegetation that could damage power lines. Here, Robert Priddy, lead trimmer, uses a pole saw to remove threatening branches from Nolin RECC lines.

Credit for that outstanding performance goes to a world-class staff. Competence, dedication, and constant attention to our co-op members ensure that Nolin maintains the highest-quality electric service. That consistent level of excellence is achieved in a variety of functions, from the people who greet you at the door and on the phone, to the billing, accounting, and member services staffs, technology experts, energy advisors, and administrative personnel, as well as the line workers, dispatchers, and other “outside” crews.

In addition to placing a priority on first-rate employees, in 2010 safety continued to be a fundamental value for Nolin. Safety is a well-promoted watchword around the office. It’s a list of strictly enforced procedures for line workers on the job. Those regular reminders get reinforced with instruction, class work, and training using local, state, and even national resources.

Safety at Nolin doesn’t stop with its employees.

Part of recognizing the power of electricity includes keeping co-op members and the general public safe as well. In the past year, Nolin, along with co-ops all across Kentucky, launched a strengthened safety awareness program that includes coordinated state-wide announcements on radio stations and advertisements in *Kentucky Living* magazine.

Safety for employees and members has always been given top priority at Nolin and will continue to be an important trademark of this cooperative.

On the cover

Nolin RECC line crew workers Nathan Yates, Jarred Gardner, and Josh Sanders use teamwork to set a new residential service line pole. The project involves several hours of drilling a hole, and hoisting the new pole into place before the service line can be strung. Photos by David Modica.



Nolin RECC line crews follow strict safety procedures to keep workers safe. Here, Josh Sanders on the pole and Nathan Yates in the bucket work on this de-energized line to prepare it for connection.

Harnessing state and national strength

The extreme complexity of generating and delivering reliable and affordable electric power calls for Nolin to channel the resources of several state and national groups to our own community.

Your local co-op has great connections.

As one of the national Touchstone Energy co-ops, Nolin can access a strong national network of high standards and expertise that directly benefits our community.

Nolin's electric generation and transmission power provider, East Kentucky Power Cooperative, ensures a stable supply of electricity at the best possible price, and supports a wide range of home energy-efficiency programs.

State and national electric co-op organizations supplement that network. The Kentucky Association of Electric Cooperatives offers a clearinghouse of information, safety training and consultation, and *Kentucky Living* magazine. The National Rural Electric Cooperative Association provides similar support, plus employee benefits programs and a technical research and development program to improve the quality of electric service.

These state and national organizations also play effective roles in representing your interests before elected officials and policy makers in Frankfort and Washington, D.C. As energy and environmental issues become front-page news more regularly, it's important that you have a voice to help make sure that electricity in Kentucky is reliable and affordable. Through Nolin, your interests are heard at the highest levels.

Director Candidates

DISTRICT 1

(The Northwest Service Area)

A. L. "Buddy" Rosenberger is a Hardin County farmer who raises corn, soybeans, small grains, beef cattle, and operates a Holstein dairy. His farm is located in the Rineyville area near Four Corners. After graduating from Valley High School, he attended the University of Kentucky and earned a bachelor of science degree in agriculture. Mr. Rosenberger served three years active Army duty, including a 13-month tour in Vietnam as a helicopter pilot.

Buddy and his wife, Carol, are members of Rineyville Baptist Church. They have two children, Fritz and Gretchen, and eight grandchildren. Attending UK football and basketball games is a favorite activity for Buddy and Carol.



Mr. Rosenberger has served as a Nolin director since July 1978, and during the past 17 years he has held the office of secretary-treasurer. He has completed the Board Leadership Program and is a Credentialed Cooperative Director through the National Rural Electric Cooperative Director Education Program. In addition, he represents Nolin on the East Kentucky Power Cooperative board serving as secretary.

***Personal remarks from Buddy Rosenberger:** "I believe in the cooperative way of doing business. Member ownership and democratic control works for the benefit of all members regardless of age or status. Cooperatives laid the foundation for rural America and continue to improve lifestyles for everyone. I would like to have the opportunity to serve as your director for another three years."*

DISTRICT 4

(The Eastern Service Area)

David P. Brown is employed at Irving Materials Inc. (IMI) in Elizabethtown. He also helps his brother raise Holstein heifers and grow corn and beans on a farm near Hodgenville. He and his wife, Michelle, have four daughters, Kaelyn, Danielle, Ivy, and Presley. They were blessed with their first grandchild, Owen Scott, nearly two years ago. The family attends Our Lady of Mercy Church in Hodgenville. David helps to coach his daughters' softball teams and is dedicated to spending as much time as possible with his family.

Mr. Brown began serving on the Nolin board in June 1994 and was elected chair of the board in 2003. He is a Credentialed Cooperative Director through the National Rural Electric Cooperative Association



Director Education Program. He serves on the LaRue County Extension Council and the Hardin/LaRue County Southern States board. He formerly served as treasurer of LaRue County Dairy Association and is a former board member of Farm Bureau. David is also past president of the Hardin and LaRue County Dairy Herd Improvement Association.

***Personal remarks from David Brown:** "I am committed to all members and will do my best to ensure you continue to receive low-cost, reliable electricity. I believe in the Touchstone Energy Cooperative values and will ensure your co-op maintains their strong presence in our communities with needed services and support systems. I am dedicated to providing you (including students and new members) with education and vital co-op related information. I look forward to the opportunity to serve the Nolin members for another term."*

DISTRICT 4

(The Eastern Service Area)

Don Fulford is married to lifelong Elizabethtown resident Jennifer Galvin and has called Kentucky home since graduating college in 1994. He is an active member of Rotary and recognized as a Kentucky Colonel for his humanitarian work with Hurricane Katrina and the tsunami in South Asia. The Fulfords are members of St. James Catholic Church. The couple was excited to welcome the birth of their first child, Austin Rae Williams Fulford, on May 3.

Mr. Fulford received his bachelor of education degree at the University of Kentucky and his master's degree in education from Western Kentucky University. Mr. Fulford also holds a certificate



in nonprofit management from The School of Philanthropy at Indiana University-Purdue University Indianapolis.

Mr. Fulford is president and CEO of Life Adventure Center of the Bluegrass and The John Cleveland Foundation. The Center serves more than 12,000 Kentuckians annually and is located in Woodford County. Mr. Fulford is responsible for management and direction of the 575-acre experiential learning center and endowment and says he enjoys introducing children to the environment and showing them an incredible world outside of electronics.

***Personal remarks from Don Fulford:** "I look forward to being a part of a team of people that look out for the best interests of their families, friends, and neighbors."*

**Don't forget to vote for your directors. You received official ballots in the mail.
All ballots must be returned to Nolin by 5 p.m., Thursday, June 9.**

Annual Meeting Program

Exhibits, Displays, and
Health Fair

Open at 5:00 p.m.

Registration &
Early Entertainment

Begin at 5:30 p.m.-8:00 p.m.

Business Session 7:00 p.m.

Prize Drawings For
Members Registering

- Apple iPad
 - Laptop Computer
 - Other Electrical Appliances
 - Early Bird Drawings for
Electric Bill Credits
 - Bicycles and Big Wheels
-

FREE

11-quart bucket
and light bulbs to each
member registering.



Come to the Cookout!

Starting at 5:00 p.m. our friends
the Pork, Beef, and Dairy Producers
will sell their delicious pork burgers,
hamburgers, pork chops, rib-eye steaks,
and ice cream.

Have dinner with us! Don't miss it
-it's your annual meeting!

Official Notice



RURAL ELECTRIC COOPERATIVE CORPORATION

A Touchstone Energy® Cooperative



The power of human connections

Annual Membership Meeting

Friday, June 10

**John Hardin High School
W.A. Jenkins Road
Elizabethtown**

**Children's Games and Rides
Free Health Fair and Exhibits**



Children's Entertainment
Rick Arnold



Featured Entertainment
Clay Underwood



Caricaturist
Denny Whalen

Free Community Health Fair

Elizabethtown Lions Club
(vision screening)

Hardin Memorial Health

Hardin County Health Dept.

Hardin County Diabetes Coalition

Eriksen Chiropractic

Lincoln Trail Health Department (WIC)

Lincoln Trail Medical Reserve Corp.
(Special needs project)

Faulkner, Thompson & Taylor
Medical Office

Sick Call Mobile Clinic

Arbonne

Kentucky Organ Donation
Trust for Life

Hardin County Co-op Extension Service

Hardin County Board of Education

Hardin County Sheriff's Department

HealthSouth Lakeview
Rehabilitation Hospital

Foot Solutions

AARP Driver Safety Program

Sleep Telemedicine Services

United Way of Central KY

Path Group Labs

Tender Touch Senior Services

of **Statement** **Operations**

For the Year Ending December 31, 2010

Operating Revenue.....	\$70,088,970.28
Operating Expense	
Purchased Power	\$50,824,373.75
Operating System.....	13,299,561.66
Depreciation.....	3,474,491.46
Interest on Loans	4,558,951.41
Other Deductions	157,944.49
Total Cost of Electric Service	\$72,315,322.77

Operating Margins.....	(2,226,352.49)
Non-Operating Margins	4,995,949.35
Other Capital Credits.....	2,489,312.47
Patronage Capital and Margins	5,258,909.33

Balance **Sheet**

For the Year Ending December 31, 2010

ASSETS

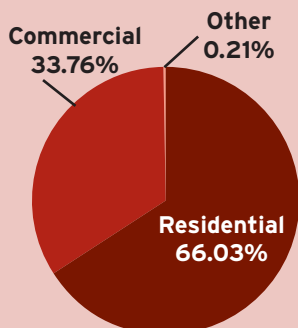
Total Utility Plant	\$99,523,386.87
Less Depreciation.....	32,564,486.86
Net Utility Plant	\$66,958,900.01

Investment in Assoc. Organization	\$19,659,593.59
Cash	22,914,165.07
Notes and Accounts Receivable.....	80,400,621.28
Inventory.....	1,181,227.36
Total Assets.....	\$191,114,507.31

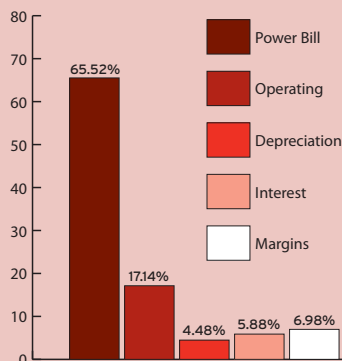
LIABILITIES

Membership and Other Equities	50,868,142.32
Long-Term Debt	108,302,927.47
Notes and Accounts Payable	12,524,532.14
Other Current Liabilities.....	5,440,303.76
Deferred Credits and Miscellaneous.....	13,978,601.62
Total Liabilities.....	\$191,114,507.31

Revenue **Sources**



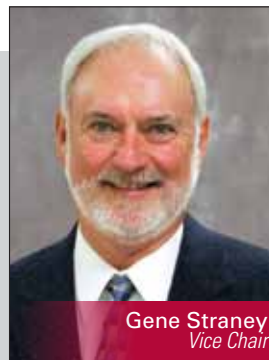
Major **Costs**



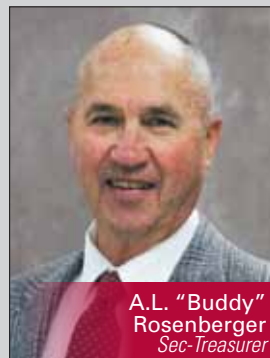
of **Board** **Directors**



David P. Brown
Chair



Gene Straney
Vice Chair



A.L. "Buddy"
Rosenberger
Sec-Treasurer



Lawrence Ireland



Raymond "Rick"
Thomas



Linda Grimes



John J. Scott
Attorney



Mickey Miller
President and CEO