

ENERGYLINES

News from Hoosier Energy for members and employees. | MAY 2015 | Vol. 38, No. 5

FACILITIES DEDICATION

Monumental day includes Annual Meeting and dedication of new facilities



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Hoosier Energy's new headquarters receives LEED Gold certification.

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INDUSTRY WRAP-UP

Indiana governor signs Territory Preservation Law

Indiana Gov. Mike Pence signed electric service territory legislation (Senate Bill 309) into law last month. The legislation amends the existing law to preserve existing electric service boundaries, regardless of future annexations.

S.B. 309 requires all of the state's electric utilities to collaborate and agree to any changes in service territory.

Indiana Electric Cooperatives, the Indiana Farm Bureau, Indiana Chamber of Commerce, Indiana Energy Association, Indiana Manufacturers Association and Indiana AFL-CIO supported the legislation.

Source: Indiana Electric Cooperatives

Minnesota Co-ops moving forward on Alliant deal

Twelve electric co-ops serving Minnesota moved closer to finalizing a deal with Alliant Energy to bring consumer-owned power to more than 40,000 new member consumers. The Minnesota Public Utilities Commission verbally approved the acquisition proposal on April 30, one year after the co-ops joined forces as Southern Minnesota Energy Cooperative (SMEC) to pursue the acquisition and filed an application.

The co-ops await a written order. If no appeals are filed, transfer of the assets could begin within months.

The Minnesota co-ops are: Tri-County Electric cooperative, BENCO EC, Mankato; Brown County REA, Sleepy Eye; Federated REA, Jackson; Freeborn-Mower Cooperative Services, Albert Lea; Minnesota Valley EC, Jordan; Nobles Cooperative Electric, Worthington; Redwood EC, Clements; Peoples Energy Cooperative, Oronoco; South Central Electric Association, Saint James; and Steele-Waseca Cooperative Electric, Owatonna. Sioux Valley Energy, headquartered in Colman, S.D., would also add members in its Minnesota territory.

Source: Electric Coop Today, ect.coop

Steve on the stump



Photo: Mel Coleman, ECT.coop

ON BEHALF OF CONSUMERS: Steve Smith, President and Chief Executive Officer of Hoosier Energy, confers with Gina McCarthy, administrator of the Environmental Protection Agency. Smith and other electric cooperative executives met for 45 minutes with McCarthy at EPA headquarters in Washington, D.C. in April to discuss how consumers who own electric co-ops would be substantially harmed by higher energy costs resulting from the Clean Power Plan rule.

CORRECTION

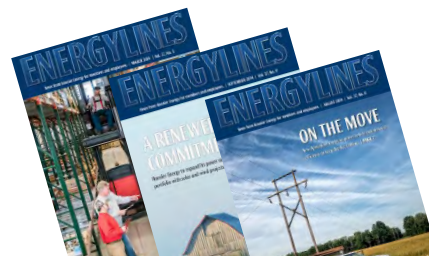
A headline in the April issue of EnergyLines incorrectly identified the Guffin estate as a home in RushShelby Energy territory. The builder and homeowner has a commercial construction business in the RushShelby Energy area, but his new home is located in Whitewater Valley REMC territory.

ONLINE EXTRA

EnergyLines online

Access to digital files of current and back issues of EnergyLines are available online. The back issue library dates to 2007 and all files are saved as portable document format (PDF).

>> Log on to view current and back issues of EnergyLines. (www.hepn.com/energylines.asp)



EnergyLines is published monthly by Hoosier Energy's Communication Department for members, employees and retirees of Hoosier Energy.

ON THE COVER

Following the 2015 annual meeting, Hoosier Energy dedicated two new facilities, the G&T's new headquarters in Bloomington and Power Delivery Center in Owen County. The dedication ceremony and ceremonial ribbon cutting for both facilities took place outside the new headquarters in front of a 20-foot bronze statue of two linemen at work.



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BACK ISSUES

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Sutter named Daviess-Martin County General Manager

The Daviess-Martin County REMC Board of Directors named David Sutter to succeed Ken Frye as General Manager of the Loogootee-based cooperative. Sutter joined the southwestern Indiana cooperative on March 31 and officially takes the reins on May 15.

Sutter is an Indiana native and Purdue University graduate with more than 30 years of experience in the energy industry. Most recently he served as General Manager and Chief Executive Officer for Stanton County Public Power District in Stanton, Neb.

Sutter and his wife, Bev, grew up in the Indianapolis area. One of the reasons he looked at Daviess-Martin County REMC as his next career was to be "Back Home Again in Indiana" he says, referencing the 1917 song about the Hoosier state. More importantly, he says the Indiana REMC was attractive to him.

"It fit the criteria for doing something very good at this stage of my life. Daviess-Martin County REMC is a good fit," he says. He applauds the work done by Frye and looks forward to working with the REMC staff and directors to address the future needs of the members. "I really don't see any skeletons here. It seems to me that things are pret-

ty efficient and our members are happy and informed," he says.

Another comfort he finds is with the established relationships with the REMC's associated partners.

"Having a healthy bond with such entities as the Indiana Electric Cooperatives' statewide organization and Hoosier Energy as our power provider certainly helps," he comments.

After a month on the job, his only immediate concern is on the topic of attrition.

"We need to start thinking about those employees who will retire in the near future. We've got several 40-plus year veterans, which speaks highly to the work environment here and we will need to figure out a way to download their institutional knowledge before they leave," he says.

Sutter is a proven leader and brings a multitude of experiences in problem solving techniques, coupled with accounting, financial and customer service expertise.

He says his personal belief in leading the co-op lies in the following statement.

"We have three things we must do every day: practice safety, provide reliability in electric service and provide the best value that we can for our member. I believe we are doing all three here at Daviess-Martin." **EL**



Sutter

Deaton new CEO at Orange County REMC

Matthew Deaton, a Campbellsburg native who most recently worked at Crane Army Ammunition Activity, has been named as new Chief Executive Officer at Orange County REMC. He officially took on the role in mid-April with the retirement of long-time CEO Danny Arnold.

Deaton graduated from West Washington High School and then attended the University of Evansville, earning degrees in civil and mechanical engineering. He is also a Certified Energy Manager. He began his professional career at Messer Construction, then later worked for Netshape Technologies in Campbellsburg before working at Crane.

When Deaton first saw the position at Orange County REMC posted, he was interested. While his Salem home has been served by Jackson County REMC for many years, he wasn't exactly sure what the job required.

"I researched the 7 Cooperative Principles and they really spoke to me. I recognized it as a model I could believe in," Deaton says. Having served in management for nearly five years at Crane in the facilities and equipment division, he feels confident in his abilities to take on the management role. "I find management to be most challenging and

most rewarding."

Deaton says the next few months at the co-op will be focused on the member and the development of employees. At Crane, Deaton was heavily involved in strategic planning.

He intends to implement those same strategies at the co-op and communicate the mission to the employees and the members.

Because he is new to the cooperative structure, Deaton has been and will continue to work on self-development. To date he has

been in classes at the National Rural Electric Cooperative Association (NRECA), the National Rural Utilities Cooperative Finance Corporation (CFC), the NRECA Legislative Conference in Washington, D.C. and the Hoosier Energy executive leadership program.

Deaton, his wife, Misty and their three children, Meredith, Brooks and Bennett are members of the Westview Christian Church in western Washington County. He also serves as vice president of the West Washington School Board and is commonly heard on WSLM radio reporting play-by-play for high school football games.

"I was an athlete in high school and I enjoy supporting the school," he says. **EL**



Deaton

Don Sloan joins power supply board

Don Sloan, an 18-year member with Henry County REMC has been named to the Hoosier Energy Board of Directors. He was formally elected on April 29 at the G&T's Annual Meeting. He succeeds long-time member Don Cross.

Sloan was born and raised in New Castle, Ind. and lived on and around the farm until his 18th birthday. In 1964, he was hired for a four-year electrical apprenticeship at General Motors and then went to work for what was Delco-Remy Division of General Motors in Anderson, a supplier of electrical components for the automotive company. His career there spanned 35 years.

Sloan and his wife, Dianna, of 20 years have six children and 10 grandchildren. He enjoys vacationing and playing golf.

Sloan became interested in serving on the REMC's Board of Directors because his mother's husband was a vice president of the board. "Being around it, I became interested in serving," he says.

In his 18 years of service, he has seen numerous changes at the distribution level. The co-op has recently implemented new technologies and has been heavily involved in territory protection. In early years – in addition to providing safe and reliable electricity – the board was involved in fulfilling legal requirements, such as record-keeping, he says.

As the newest director on the Hoosier Energy Board, Sloan hopes to be a worthy contributor. While attending the NRECA Legislative Conference in Washington D.C., the first week of May, Sloan says, "I want to be a voice for our board and I'll try to be a viable part of the process."



Sloan

"Our Board of Directors' foresight in embracing a voluntary renewables portfolio, and members' efforts to utilize resources in their own backyard, reflect cooperatives' long history of bringing affordable energy to members."

Steve Smith, Hoosier Energy President and Chief Executive Officer

Sun shines on solar energy initiative

With the demand for renewable energy growing, member cooperatives are partnering with Hoosier Energy to bring 10 megawatts (MW) of utility-scale solar energy to help power the electricity needs of consumers across southern Indiana and southeastern Illinois.

Plans call for 10 one-megawatt solar arrays to be installed at various locations over the next two years. The first installation is expected to take place in New Castle, Ind. Collectively, the solar "farms" will provide approximately 20 million kilowatt-hours (kWh) of energy annually for member systems' 300,000 consumers. The average home in Indiana uses about 1,000 kWh per month.

"Hoosier Energy is focused on providing cost-effective renewable energy for member systems," said Steve Smith, Hoosier Energy President and Chief Executive Officer. "Our Board of Directors' foresight in embracing a voluntary renewables portfolio, and members' efforts to utilize resources in their own backyard, reflect cooperatives' long history of bringing affordable energy to members."

The solar program is part of Hoosier Energy's "all-of-the-above" strategy to



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diversify its generation portfolio and provide the best balance for an affordable power supply. "Some of the best areas for solar are in southern Indiana and Illinois," said Heath Norrick, Hoosier Energy Renewable Energy Manager. "It's not available 24/7 but it's a valuable resource. On a hot sunny day in July, solar is there when cooperative consumers need it."

Hoosier Energy's Board of Directors approved the 10 MW program last July. "This project will help us and member systems learn what it takes to plan, finance and implement a solar project. It's a great opportunity to educate the public on how solar works," Norrick added. **E**

Transitioning safety efforts from good to great

NRECA spotlights Hoosier Energy Safety Initiative

INDIANAPOLIS

When it comes to improving safety, silence is never golden.

Hear the workforce,

listen to their concerns and then work together to solve issues - that's the key to creating a safer work culture, says Karl Back, Manager of the Merom Generating Station.

Back's comments came during a presentation he gave on the Hoosier Energy Safety Initiative at the NRECA 2015 Safety Leadership Summit in Indianapolis in April. He opened his talk on how to create a foundation for transformational safety change with an overview of safety at Hoosier Energy. "We have a good safety culture at Hoosier. The Ratts plant has an outstanding safety record," he said. Across the cooperative, safety performance has been improving steadily over the years. Now, Hoosier Energy is striving for a step change, going from good to great, he said.

Back spoke frankly about Merom's track record. "We've had issues, but our performance has improved drastically in recent years."

When talking about safety transformation, the biggest question is: How do you get there? The reactive approach >>

to enforcing rules, processes and procedures worked for a while, he said, but then an incident would occur.

“You can do everything you want to for safety,” Back told his audience of approximately 40 safety professionals from electric cooperatives across the country. “I felt I had done everything I could do and still employees were getting hurt. So I knew we had to change something culturally.”

It’s not simply checking a few boxes off a checklist; safety requires a well-thought out process that requires organizational discipline and focus. In December, Hoosier Energy kicked off the Safety Initiative, a comprehensive effort to transform the safety culture across the G&T.

Taking a proactive, transformational approach to safety depends upon five critical success factors, Back said, starting at the top.

The journey begins with an assessment. Back visited all his crews, laying out his vision for a better, safer workplace and asked for their input. With the help of the NRECA, employees were asked to participate in a perception survey. Encouraged, and pleasantly surprised by the overwhelming response, management fulfilled a promise to return to each of the crews to discuss the results. “Those were some pretty tough meetings. There was a lot of concern about safety. It’s valid. We’ve tried a lot of things through the years,” Back said.

Frank discussions led to formation of an organized structure for employee-led committees with mission statements, team leaders and clearly defined roles and responsibilities. Foundational documents include a clear and concise vision

“We value and encourage employee feedback. If an incident occurs, we’re not going to beat employees up. Instead, we’re going to take that and learn from it and move forward.”

Karl Back, Merom Generating Station Plant Manager



HE photo

SAFE BY CHOICE: Karl Back, Manager of the Merom Generating Station, says the key to transforming a safety culture from good to great begins with the employees.


Five critical success factors for transforming safety culture

- Top Leadership Engagement
- Cultural Transformation
- Structure
- Employee Engagement & Involvement
- Continuous Improvement Process

statement: “to be injury free at work and at home” and the carefully thought out motto, “Safe by Choice.” The groundwork to establish a structure with defined processes takes time, he said. That “curve of pain” is worth it to achieve the desired state of employees taking responsibility for their own safety and those around them.

“We value and encourage employee feedback. If an incident occurs, we’re not going to beat employees up. Instead, we’re going to take that and learn from it and move forward.”

Since December, the teams have been working on prioritizing more than 100 actionable issues, collectively known as “the elephant.” Their efforts are bearing fruit. Two ad hoc teams are addressing breaker issues and evaluating platform needs, and standing committees are reporting a cultural shift toward safer work practices and a safer way of life.

“We drove a stake in the ground,” Back said. “From this day forward, safety is going to be different at Hoosier Energy.” 

Merom Generating Station

Quick thinking keeps units online

On January 13, prior to the scheduled spring outages, Merom Station employees Jeremiah Sutt and Trent Kile helped the plant resolve an issue while the units were online.

Kudos are being offered for the pair from Plant Manager Karl Back and Generation Systems Coordinator Ryan Henderson. According to Henderson, Merom Station was experiencing issues on the plant's main control system, Drop 20/70. Plant leaders initially planned to monitor the issues and try to make it to the scheduled outage. However, the issues reached a point of failure requiring action to be taken that day.

Several weeks before this issue became critical, Sutt had examined the problem and proposed an alternate repair method that would allow Unit 1 to continue running during the repair. Emerson Process Management examined the proposed methodology and concurred, but communicated this type of repair had not been completed on a live unit.

"I am very pleased with how these employees thought 'outside the box' and managed to keep us generating," Henderson said. [EL](#)



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MAINTENANCE WORK: Work on Unit 1 at the Merom Generating Station continues in preparation for summer load demand.

Merom Generating Station Unit 1 maintenance work update

Work continues on Unit 1 at Merom Generating Station after some future work projects were pushed up to 2015. The original Summer Prep Outage called for the unit to be taken offline April 11 with a return to service after 29 days. However, with some project changes, Unit 1 work was moved forward to March 8.

"It's been anything but a standard outage," said Mark Kramer, Outage and Construction Manager for Hoosier Energy. On April 24, plant leaders determined that some additional work should be made to Unit 1 to improve the process.

The date for Unit 1 to be put back in service has yet to be determined. Unit 2 work has been postponed until Unit 1 is completed.

Projects scheduled for Unit 1 included a boiler inspection, main transformer replacement, scrubber outlet duct relining, stack repairs, tube shielding and some general maintenance, according to Kramer. Another scheduled project was to have the fuel gas desulfurization (FGD) modules cleaned and nozzles replaced.

"Overall, the whole workforce has stepped up and adjusted their schedules in response to the new timeline," Kramer said. [EL](#)

Leading practices showcased

CLARK COUNTY REMC, SCI REMC, HOOSIER ENERGY FEATURED AT NRECA EVENT

Two distribution cooperatives and Hoosier Energy were among the 27 success stories featured at the Leading Practices Showcase displays during the NRECA's Safety Summit 2015 in Indianapolis.



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TRANSFORMING SAFETY CULTURE: Josh Bohlsen, Operation Supervisor at Clark County REMC, left, discusses with an attendee how the co-op reduced incident rates 76.4 percent.

Clark County REMC

When Clark County REMC reviewed its safety performance in 2010, the electric cooperative didn't like what it saw. Incident rates and experience modifiers were not acceptable and injuries were occurring across all departments. Clark focused on transforming the REMC's safety culture. The results are impressive. Incident rates dropped 76.4 percent from 2011 to 2012 and the experience modifier dropped 35.7 percent.



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REDUCING RISK: Chris Gearld, from Hendricks Power Cooperative and a member of the South Central Indiana REMC safety steering committee, talks about how SCI's employee-based safety observation process prevents injuries.

South Central Indiana REMC

South Central Indiana REMC takes a proactive approach to safety, encouraging employees to suggest safety improvements based on their observations in the field. The employee submits a report, which is then reviewed by a steering committee. Many of the ideas are good and implemented, steering committee member Chris Gearld said. The process is meant to be proactive, not reactive, which encourages employees to speak up. Recent improvements that came from employee suggestions include adding signs and a mirror in a blind hallway, adding a wider step on a lift, and raising the strobe lights on trucks.



HE photo

IMPROVING SAFETY: Luke McKinney, Hoosier Energy Power Production Engineer, explains to attendees at the NRECA Safety Leadership Summit in Indianapolis how employees developed an improved Safety Work Order Process as part of Hoosier Energy's Safety Initiative.

Hoosier Energy

Hoosier Energy is well on the way to transforming its safety culture. The G&T featured improvements to the safety work order process, one of the initiatives most recent successes, as part of the NRECA Safety Showcase. Prior to implementing an employee-based safety initiative process, managers routinely heard complaints about the ineffectiveness of the safety work order process. After listening to feedback, the team charged with improving the process established metrics and a weekly reporting system. Now, an employee who submits a report gets an answer quickly on how the issue is being handled. The increased transparency creates efficiencies and makes the process more effective, solving problems quicker and with input from the employees.

Power Delivery Professionals Day



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EMPLOYEES RECOGNIZED: Power Delivery Professionals working for Hoosier Energy were recognized for their dedicated efforts on April 13, a day set aside by the National Rural Electric Cooperatives Association as National Linemen Appreciation Day. This picture was taken at Owen County Operations Center, but all crews working in Petersburg, Napoleon, Rushville, Worthington, Seymour, English and Poseyville were recognized.

2015 ANNUAL MEETING

Cooperative Commitment Stands Tall

Electricity – the remarkable value we enjoy today is now more important than ever.

Steve Smith, President and Chief Executive Officer of Hoosier Energy, addressed Hoosier Energy's 66th annual meeting on April 29 paying tribute to the cooperative principles that unite the G&T and member systems in assuring safe, reliable and affordable power for the unique commodity that powers our lives.

The cooperative legacy of taking initiative and being proactive is just as true today as it was when Hoosier Energy was founded, he said, and very much part of the Hoosier Energy culture.

In his address before 300 electric cooperative directors, employees and special guests at the Bloomington Convention Center, Smith praised Hoosier Energy's 18 member cooperatives for their steadfast commitment to the cooperative principles. In fact, that's why Hoosier Energy named the line worker statue gracing the entrance to its new headquarters "Commitment Stands Tall," he said.

"Commitment Stands Tall" is a daily reminder of our mission to provide affordable and reliable energy and services in a safe and environmentally acceptable manner," Smith said. He noted the G&T strives every day to manage the business as efficiently as possible despite ongoing cost

pressures. "We've aggressively pursued least-cost financing, achieved efficiency gains, returned credits to members, and had no base rate increase in more than four years," he said.

The constant demand for electricity challenges the G&T to find innovative ways to keep electricity reliable and affordable for member systems, he said. "Affordable electricity is valuable, but only if it's on. Consumers expect 24/7 service and great power quality for iPhones, iPads and smart TVs. As the world becomes ever more connected and technology advances, our commitment to reliable service stands even taller."

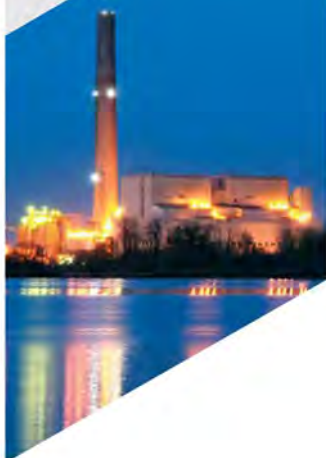
Darin Duncan, Chairman of the Hoosier Energy Board of Directors, urged attendees to proactively meet the challenges facing cooperatives. "We live in a different world today. The electric cooperative business model faces many challenges, some from policymakers. But as Teddy Roosevelt once said, 'Complaining about a problem without proposing a solution is called whining.'"

He urged attendees to look beyond politics to address urgent challenges such as the Environmental Protection Agency's (EPA) proposed Clean Power Plan.

"This is our opportunity to educate state and federal officials, especially the new faces. Our issues transcend party lines. The reason is simple: A safe, reliable

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A CALL TO ACTION: Darin Duncan, Chairman of the Hoosier Energy Board of Directors, urged attendees to proactively meet the challenges facing cooperatives during his speech at the 2015 annual meeting in Bloomington.

supply of electricity is fundamentally an American issue, not a Democrat or Republican one. The policies enacted by either party affect everyone.”

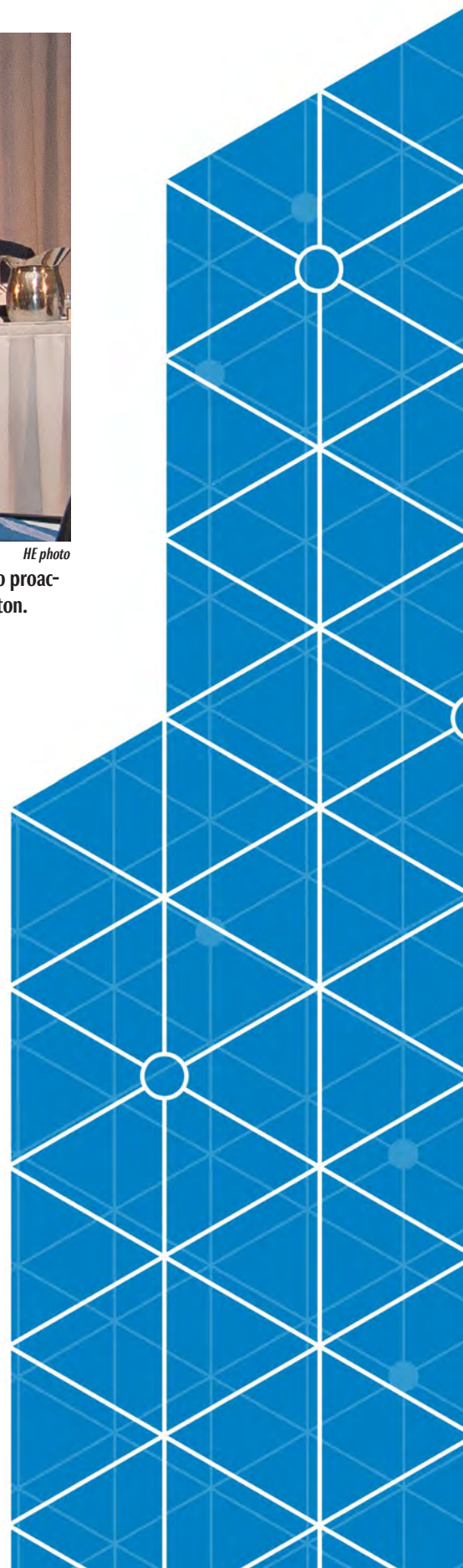
Educating policymakers on the plan’s threat to reliability and affordability is a pressing issue, Smith said. “We believe these EPA rules are illegal, unprecedented and an overreach by the EPA. They will cost billions of dollars, jeopardize reliability, eliminate jobs and have virtually no impact on global carbon emissions. If there was ever an issue that requires us to take action, this is it.”

Hoosier Energy has taken the offensive with policymakers while

suggesting common-sense options.

Donna Snyder, Senior Vice President and Chief Financial Officer, reported on those efforts. “At the national level, we’ve met with our senators, members of Congress, and staff from congressional committees. We’ve testified at hearings and met with officials from the EPA, FERC, MISO and the small business administration. At the state level, we’ve worked with Gov. Mike Pence’s staff, environmental agencies in Indiana and Illinois, and reached out to NRECA, neighboring G&Ts and statewide associations,” Snyder said.

More stringent environmental regulations ultimately led to the >>





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BOARD OF DIRECTORS ELECTED OFFICERS: From left, Secretary Steve Stumler, Clark County REMC; Vice Chairman Herb Haggard, Johnson County REMC; Treasurer Bob Stroup, RushShelby Energy REC; and Chairman Darin Duncan of Harrison REMC.


decision to retire the Ratts Generating Station, which operated for the last time on March 10, 2015, Smith said. He took a moment to pause and reflect on the special role Ratts played in Hoosier Energy's history since 1970. "The Ratts workforce has made the plant a place of special distinction. That legacy will live on."

He then recognized several Ratts employees who worked the last day at the plant and they received a thunderous ovation for their decades of dedicated service to the plant and Hoosier Energy.

Bartholomew County REMC Director Curt Burbrink sang the National Anthem to open the meeting, which took place in Bloomington as part of a daylong event that included dedication of Hoosier Energy's new headquarters and Power Delivery

Center. Five directors were honored for their years of service to the generation and transmission cooperative: Eugene Roberts, Orange County REMC, for 20 years; Chairman Darin Duncan, Harrison REMC, for 10 years; Steve Dieckmann, Decatur County REMC and John Trinkle, Jackson County REMC, for five years.

The annual meeting also included video presentations that highlighted Hoosier Energy's 2014 operating and financial accomplishments, including power supply improvements and updates on safety and energy efficiency programs, as well as member services.

Attendees adjourned to attend a special facilities dedication ceremony at the G&T's new headquarters on Tapp Road in Bloomington. 



2014 annual report

The 2014 annual report can be found online at www.hepn.com/news.asp

2015 Board of Directors Election

Member delegates unanimously elected the following representatives to serve on the Hoosier Energy Board of Directors.

Bartholomew County REMC

Janet Anthony

Clark County REMC

Steve Stumler

Daviess-Martin County REMC

Augie Bauer

Decatur County REMC

Steve Dieckmann

Dubois REC

Jerry Jackle

Harrison REMC

Darin Duncan

Henry County REMC

Don Sloan *

Jackson County REMC

John Trinkle

Johnson County REMC

Herb Haggard

Orange County REMC

Eugene Roberts

RushShelby Energy REC

Bob Stroup

South Central Indiana REMC

Jerry Pheifer

Southeastern Indiana REMC

David Smith

Southern Indiana Power

Gary Waninger

Utilities District of Western Indiana REMC

Jim Weimer

Wayne-White Counties Electric Cooperative

Larry Hosselton

Whitewater Valley REMC

Jodie Creek

WIN Energy REMC

Dan Schuckman

* new director

Senior staff updates members on issues

The annual meeting included a new format that featured a question and answer dialogue in which senior management responded to questions from CEO Steve Smith on the importance of several Hoosier Energy activities and accomplishments. Here are excerpts from their remarks.



On the importance of credit ratings

“We have A-level credit ratings from both Standard & Poor’s and Moody’s, the two largest rating agencies. Each provides an independent review of our financial results and business position. By maintaining strong ratings, we ensure access to the financing we need — the better the rating, the lower the cost of financing.”

Donna Snyder, Senior Vice President and Chief Financial Officer



On the coal supply and pricing strategy

“Hoosier Energy spends approximately \$165 million annually on coal. We’ve implemented a procurement strategy based on three principles: compatibility, reliability and value. Compatibility means matching coal characteristics with our systems. Reliability is about making sure coal is available to keep units operating. Our value strategy includes price reopeners in coal supply agreements, allowing opportunities to renegotiate prices during the term of the agreements. Price reopeners have saved us \$50 million to date.”

Rob Horton, Vice President of Power Production



On good reliability, 20 percent improvement in outage duration

“Our crews do a great job of responding to outages, but the best way to minimize outage time is to keep them from occurring. Hoosier Energy has stepped up maintenance planning and vegetation management and we continue to invest to improve system performance. The new Operations Center gives us better inventory control, equipment repair turnaround and fleet availability, all of which reduce outage times.”

Dave Sandefur, Vice President of Power Supply

Senior staff updates



On the new renewable options

“The board adopted a policy last year calling for 10 percent of member energy to come from renewable sources by 2025. About 4 percent came from renewables last year. We’re developing several options to meet that 10 percent goal. Those include the new 4-megawatt Cabin Creek landfill plant in Whitewater Valley territory, and 10 one-megawatt solar arrays located across member systems. Consumers like solar, and we’re selecting high traffic locations to raise their awareness of our commitment to renewable energy.”

Mike Rampley, Senior Vice President of Marketing and Business Development



Supporting commitment to community

“Last year was one of our strongest years in economic development. Efforts with members added 56 new and expanded businesses, more than 2,000 jobs, \$600 million in investment and about 45 megawatts of new load. All members participate in demand side management programs, and we’re well on our way to meet 2018 goals of reducing demand and energy by 5 percent.”

Tom Van Paris, Vice President of Member Services and Communications



Strengthening capabilities of people

“Efficiency starts with every new hire. We offer ongoing training to make employees safer, more productive and to support succession management. The leadership development program with Indiana University is a recent example.

Training and development support for members - such as HEATS, skill improvement, and meter training - are built upon G&T programs. Collaboration saves hundreds of thousands of dollars annually. Assisting members with employee selection and the leadership program at I.U. were services extended to members last year. Twenty member employees are in the leadership class and feedback has been really positive.”

Bob Richhart, Vice President of Management Services

Commitment Stands Tall

Dedication of Hoosier Energy's new headquarters affirms cooperation among cooperatives for years to come

On a bright sunny afternoon following the 2015 annual meeting, Hoosier Energy dedicated two new facilities, the G&T's new headquarters in Bloomington and Power Delivery Center in Owen County.

The dedication ceremony and ceremonial ribbon cutting for both facilities took place outside the new headquarters in front of a 20-foot bronze statue of two linemen at work. A limestone wall encircling the 1,200-pound "Commitment Stands Tall" statue features bronze plaques recognizing each of Hoosier Energy's 18 members.

"'Commitment Stands Tall' is a constant reminder of our roots, our members and the responsibility entrusted to us every day," said Hoosier Energy President and Chief Executive Officer Steve Smith.

More than 300 people were on hand for the celebration including Hoosier Energy's Board of Directors, members and employees. Special guests included sculptor Payson McNett and Steve Giese from Sincerus, the studio that cast the sculpture, as well as representatives from Schmidt and Associates and Wilhelm Construction, the architectural and construction firms who worked on the building.

Hoosier Energy Board Chairman >>



Darin Duncan said the new facilities were already creating greater member efficiencies. “I’ve had the opportunity to come to the new buildings several times since they opened. I have to say, each visit reaffirms that we made the right decision, not only for a better place for the employees to work, but better facilities to serve the membership.”

“Headquarters was built with members in mind,” Smith added. “The boardroom is in the center, where it belongs. It reminds us that members are at the center of work we do every day.”

Guests toured the headquarters building after the ceremony to see how sustainability with minimal environmental impact was incorporated into the design. The facility was built to meet LEED Gold standards and features many energy saving features, including LED lighting, geothermal heating and cooling, windows for “day-light harvesting” and a rain garden. LEED, or Leadership in Energy and Environmental Design, is the nationally accepted benchmark for the design, construction and operation of an energy efficient facility.

The Power Delivery Center, was also honored as part of the event. It was constructed on a 90-acre site near Spencer, Ind. and features central proximity to transmission and substation assets, good transportation access and space for growth. More than 60 operations and engineering employees are based at the center, which consists of an 18,000-square-foot office building and 77,000 square-foot complex of operations offices, warehouse and vehicle storage buildings, including bays to house mobile substations. [E1](#)



HE photos

TOP TO BOTTOM: Chief Executive Officer Steve Smith shares his sentiments about Hoosier Energy and its new facilities before guests at the Facilities Dedication on April 29. Attendees were then taken on guided tours to see highlights of headquarters. Dave Stolz (bottom, right) Manager of Power Markets, explains how his team works to provide competitive rates.

Bronze lineman statue awes dedication visitor

The statue of linemen at the new Hoosier Energy Headquarters served as an impressive backdrop for the Facilities Dedication on April 29. A perfect day of sunshine spotlighted some of the finer details of the power professionals cast in bronze. While the crowds and guests were impressed by the detail, none marveled at the statue as much as Payson McNett.

McNett of California flew in for the ceremony – one of the few guests outside the cooperative family to be invited. Throughout the 30-minute event, he was rightfully distracted. Before McNett stood his largest work of art to date – his first time to see the finished sculpture.

“It was kind of overwhelming and underwhelming,” he surmised a few days after the event. He explains: “It was exactly as I pictured it. It looked so similar to the rendering,” – a good thing, he concedes.

McNett is a former professor at Indiana University and was commissioned to sculpt the piece near the end of 2013. In weeks prior, as discussions ensued about the project, McNett began researching it, looking for resources and materials.

“I gambled and started working on it before it was approved and it paid off,” he says, noting that if he had failed to get the bid for the job, he would have used the prep work as a teaching aid in the classroom.

It took several months for McNett to complete the sculpting

for the project. As he worked, he used all of his instincts to create the life-like images.

“Artists always stand back – you know you see them resting their chin on their fist – thinking. It’s kind of cheesy, but it’s really important to do,” McNett says. For instance, as he worked on the models, he added things like a wallet in the pocket and a tear on the boot of the groundsman. “It just needs those touches. But at the same time, you have to be careful not to overwork it. In the end, the additions are what bring life to the piece.”

After McNett created the models, they were sent to Sincerus Bronze Art Studio in Indianapolis. There they were cast and the pour completed. McNett, who has since moved to Aptos, Calif. to teach at Cabrillo College, had – prior to his dedication visit – only seen pictures of the completed project.

“Overall, I am really pleased with the casting. Steve (Giese of Sincerus) did a great job and the patina is really nice. It’s getting the classic green on it already,” he says, having observed it up close.

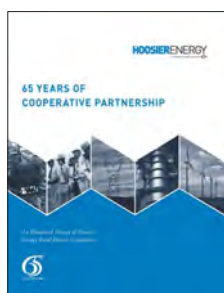
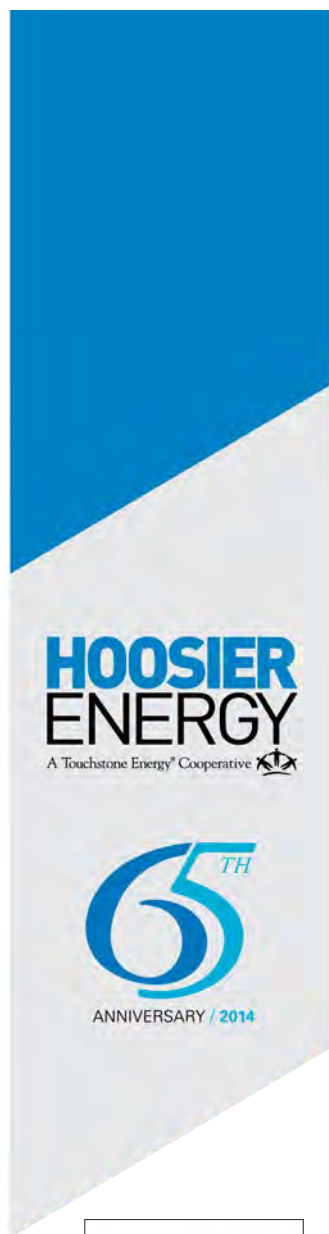
Employees and visitors will file by the statue for years to come. Few will get close enough to see McNett’s signature on the groundsman’s boot – an inconspicuous mark identifying its maker. But the indelible mark the statue represents for the workforce of power professionals here and abroad, will stand in Bloomington for years to come. **EL**

CREATIVE TALENT:

Artist Payson McNett, former Indiana University professor, sculpted the statue that stands in the circle drive at the new Hoosier Energy headquarters. Now a resident of California, McNett returned for the Facilities Dedication on April 29.



65 Years of Cooperative Partnership chronicles Hoosier Energy's legacy of success



An illustrated history

"65 Years of Cooperative Partnership, an Illustrated History of Hoosier Energy Rural Electric Cooperative" is available online at www.hepn.com/news.asp. Hard copies available upon request. Please contact Mary Lynn Beaver, mbeaver@hepn.com, for more information.

One late spring day in 1949, a dozen rural electric cooperative managers and directors met at a downtown café in Rushville to talk about the power supply situation in southern Indiana. It was one of many meetings they had held over the previous two years at the Wilhelm's Café. But this day – June 8, 1949 – was different. On this day, they decided to form their own power supply cooperative, assuring their members of a reliable, affordable power supply for years to come.

From such clarity of purpose, Hoosier Energy was born. Since then, the founders' vision has become a success story in cooperation among cooperatives. Today, Hoosier Energy has grown to 18 member distribution systems that serve nearly 300,000 member consumers in 59 counties in southern Indiana and southeastern Illinois. The thriving cooperative business reports annual operating revenues of \$710 million and now ranks among the 100 largest cooperatives in the United States in annual sales.

The 65th anniversary of Hoosier Energy in 2014 represented a significant milestone that inspired reflection on the generation and transmission cooperative's past, present and future. In "65 Years of Cooperative Partnership, an Illustrated History of Hoosier Energy Rural Electric Cooperative," Hoosier Energy pays tribute to the determination of the pioneering cooperative leaders who fought tenaciously to bring affordable electricity to rural southern Indiana. The book reprints in its entirety Hoosier Energy's first history book, "50 Years

of Cooperative Partnership," published in 1999.

"65 Years of Cooperative Partnership, an Illustrated History of Hoosier Energy Rural Electric Cooperative" captures the early years of the hard-fought battles to build the Ratts and Merom Generating Stations and the steady transformation of the high-voltage transmission system that serves member systems. The book then moves forward to detail Hoosier Energy's legacy of success in meeting the challenges of the 21st century, including changes in power markets, advances in technology, progress in securing competitive wholesale rate positions and political forces aimed at reshaping the industry.

Throughout the many challenges in its history, though, Hoosier Energy has always remained focused on its commitment to provide member distribution cooperatives with an affordable and reliable power supply. "Our success over the last 65 years comes from the cooperation and dedication of the people who make up Hoosier Energy — the boards of directors, distribution cooperative leadership and our employees," remarks Steve Smith, President and Chief Executive Officer of Hoosier Energy, in the book's foreword. "They have made lasting and significant contributions to Hoosier Energy's power supply legacy."

"65 Years of Cooperative Partnership, an Illustrated History of Hoosier Energy Rural Electric Cooperative" honors the electric cooperative model. For Hoosier Energy, the cooperative principles have and always will be as true today as they were in 1949. **EL**



HE photo

THE GOLD TEAM: Construction Manager Coordinator Bryan Place, Senior Manager of Power Production Matt Mabrey, Facilities Associate Chrystal Hoffmeister, Communication Manager Claire Gregory and Manager of Construction and Projects Mark Kramer were the team responsible for the process of gaining Gold certification in Leadership in Energy Efficiency Design.

‘LEED’ING THE WAY

Six months after moving into its new headquarters, Hoosier Energy received LEED Gold certification from the U.S. Green Building Council, a tribute to the facility’s energy efficient design and the company’s commitment to sustainability.

LEED, or Leadership in Energy and Environmental Design, is the nationally accepted benchmark for the design, construction and operation of an energy efficient facility.

Steve Smith, President and Chief Executive Officer of Hoosier Energy, announced the honor on April 29 during the dedication of the new building. “Sustainability with minimal environmental impact was a key design consideration,” Smith said. “Our commitment to providing affordable, reliable power naturally extends to practicing energy conservation.”

The facility uses about half the energy per square foot of current facilities by utilizing LED lighting, geothermal heating and cooling, “daylight harvesting,” roof reflectivity and other energy saving features. Much of the building’s interior features recycled materials including reclaimed wood from trees removed during construction. [1](#)

Top 10 Building Highlights for LEED Gold Certification

- Rain gardens in the parking lot collect, filter and manage storm water, which improves water quality and reduces erosion.
- Indoor environmental quality is maximized through the use of low-emitting building construction materials and eco-friendly cleaning products.
- The integration of bicycle racks, carpool stations and six electric car-charging stations encourages alternative transportation methods.
- Landscaping features native Indiana plants and vegetation, which require less water and maintenance.
- The light-colored roof reduces heat absorption and reduces energy required for cooling.
- Strategic window placement maximizes natural lighting throughout the building, which reduces energy consumption and enhances work productivity.
- Metered faucets, dual flush and ultra-low flow fixtures maximize water efficiency.
- The mechanical system utilizes geothermal heating and cooling, which optimizes energy performance with at least 46 percent increased efficiency.
- More than 50 percent of waste from the construction process was recycled.

ENERGYLINES

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Linemen receive Power and Hope recognition

Whitewater Valley REMC linemen Brad Wildman and Mark Bell stand with CEO Mary Jo Thomas as they hold their Touchstone Energy Power and Hope awards during a breakfast for Linemen Appreciation Day in April. The lineman helped save a woman stuck in her car in frigid cold weather.