

ENERGYLINES

2017 Annual Meeting

INEVITABILITY OF CHANGE

★ Current and former directors were asked to reflect on their leadership roles as chairman during a fireside chat. **Pages 5-6**

★ The 2016 annual report incorporates interactive content. **Page 4**

★ Learn about new directors serving on Hoosier Energy board. **Page 5**

CAN'T
JUST
SIT AROUND

Residents attend Duff-Coleman Open Houses

Republic Transmission held two open houses recently in Ferdinand, Indiana and Santa Claus, Indiana for more than 350 landowners potentially affected by routing for the new Duff-Coleman 345kV transmission project that the independent transmission provider is building in southern Indiana and northern Kentucky.

Hoosier Energy is an equity partner on the project and will provide operations and maintenance services for the Indiana portion of the line once it has been built and energized.

During the open houses, landowners



HE photo

TRANSMISSION PROJECT: Kimberly Gross, of Republic Transmission, works with a land owner during a recent open house.

stopped at several information stations to ask about the size of the right-of-way,

review site maps and see how their land might be affected by one of the three proposed routes. A decision on the final route for the line is expected later this summer.

The new line is expected to enhance reliability for Midcontinent Independent System Operator members in the area, including Hoosier Energy and member systems. The project crosses the member territories of Dubois REC and Southern Indiana Power. Big Rivers Electric Corporation, a G&T in Kentucky, will own and maintain the approximately three-mile segment that is in Kentucky. [E](#)

ALL IN A DAY'S WORK

Two alarms one recent afternoon kept Power Delivery crews scurrying across the power network, protecting reliability from one side of the state to another.

In the first incident, a transformer alarm went off about 3:30 p.m. at the Sandborn transmission station near Sandborn, Indiana.

Crews reported a bushing fire on the transformer and called in local firefighters and other Hoosier Energy personnel to contain the small fire and oil that leaked from the transformer.

All breakers in the switchyard opened up dropping eight substations serving WIN Energy and Daviess-Martin County REMC. Load was restored remotely from other sources in less than six minutes.

Tests are being performed to deter-



HE photo

DAMAGE: A helicopter damaged 69kV lines near Dillsboro, Indiana. No injuries were reported.

mine the cause of the failure. At this time, Hoosier Energy believes that the transformer can be repaired on-site.

Helicopter clips 69kV line

Meanwhile, less than two hours later and approximately 115 miles east, a helicopter skirted into a Hoosier Energy 69kV line in Dearborn County near Dillsboro, Indiana, taking down part of the line.

Southeastern REMC crews were the first on the scene and reported that conductors were on the ground. Hoosier Energy and member crews worked quickly to make the area safe, aid first responders and restore service.

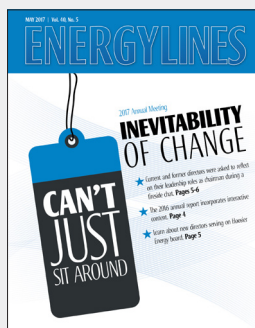
Dillsboro and Mexico Bottoms experienced a two-minute outage while East Enterprise experienced a 48-minute outage. All substations were re-energized via alternate feeds.

No injuries were reported and the helicopter occupants, miraculously, were reported safely on the ground. The transmission line has been repaired and was placed back in-service. The cause of the accident is not known. [E](#)

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

ON THE COVER

The power network brought together nearly 300 executives and guests at the April 13 meeting in French Lick, Indiana.



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POLICY AND PEOPLE: Randy Haymaker shows where he was sitting during a press conference with President Ronald Reagan.

Randy Haymaker, Director of Public Affairs, retires

After nearly 40 years working to advance Indiana's rural communities, Randy Haymaker is retiring from his full-time duties as Director of Public Affairs for Hoosier Energy.

He will continue using the relationships he has developed for Hoosier Energy members' benefit, though, as he transitions to a part time role, representing Hoosier Energy at Indiana Electric Cooperatives and with public agen-

cies and officials.

In an industry marked by continual change, what stands out the most to him is Hoosier Energy's growth in member communications and services, he says.

Throughout his career, Haymaker strove to connect policy to people and learned the value of establishing trusted partnerships. "I hope to continue to help serve Hoosier Energy's members in any way I can," he said. [\[E\]](#)

ONLINEEXTRA

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COVER STORY

2017 Hoosier Energy Annual Meeting

Power network thriving amid change

Steve Smith, President and CEO of Hoosier Energy, began his remarks at the G&T's 2017 annual meeting scanning the crowd and smiling at many familiar and some not-so-familiar faces.

The past year, he said, proved to be another good year for Hoosier Energy and its 18-member distribution systems.

"We are coming off a good year with a new and improved labor contract, more flexible and cost saving coal contracts, wholesale rates that dropped 2½ percent, development of several new cost management initiatives, additional member services and achieving our long standing 20 percent equity goal, all positioning us well for the future," Smith told the crowd of nearly 300 power network executives and guests at the April 13 meeting in French Lick, Indiana.

Smith then turned his focus to the theme of change and its inevitability using a video of four past chairmen to highlight his points.

Eugene Roberts, long-time director from Orange County REMC and chairman of the Hoosier Energy Board from 2008-2010, noted in the video that the cooperative leaders have never been satisfied with waiting for the next big thing to happen.

"There is no way that we can just sit still and say 'oh well we've got our power plant, we've got our portfolio now with solar, wind and so forth, we're in good shape. We are in good shape, but we can't rest on that. We just can't,' " Roberts said in the video.

Uncertainties can be faced with trepidation or optimism, Smith said, but never inertia. "Electric cooperatives and Hoosier Energy have a history of not sitting around and waiting for things to happen. Whether it was the initiative of our founders to establish the first wholesale power cooperative in the state or our recent decision to bid on MISO's first-ever competitive transmission project, we will always look for opportunities to execute on our mission of providing you with assured, reliable and competitively priced energy and services



HE photo

ACHIEVEMENTS HIGHLIGHTED: Hoosier Energy President and CEO Steve Smith speaks during the annual meeting noting how the power network has a history of not sitting around and waiting for things to happen.

in a safe and environmentally acceptable manner.

Hoosier Energy Board Chairman Herb Haggard from Johnson County REMC noted that the cooperative difference sets Hoosier Energy and member systems apart from other utilities. He said he accompanied Hoosier Energy executives on their annual trip to Wall Street that underscored to investors the importance of the cooperative difference. "Hoosier did an excellent job. We got to tell our story. The reason to do that was to secure solid 'A' ratings. And we did."

While co-ops cannot compete with investor-owned utilities dollar for dollar, they have a bigger, and better advantage, he said. The difference begins with the deeply rooted co-op value placed on the customer experience, he said. That difference helps co-ops succeed throughout the inevitability of change.

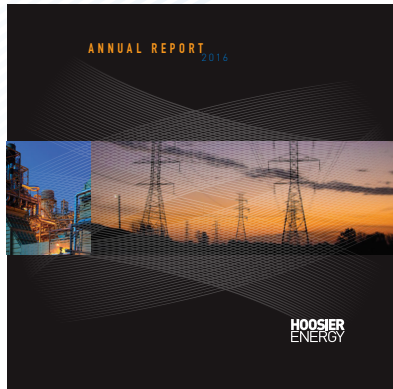
"We've got to remember where our roots are – why we are

here. ... We are a cooperative and everybody on our line is an owner."

In addition to remarks by Smith and Haggard, the business session included election of directors, a year-in-review video highlighting 2016 operational and financial results and the presentation of service awards.

Ten exhibits showcased continuous improvement and innovation in member services. As attendees strolled past the booths, they talked with Hoosier Energy employees about the latest advances in environmental education, economic development, MV-Web (a load analysis tool), operations and power delivery, employee training, renewables, communications, demand side management initiatives and safety and training.

The power delivery booth drew widespread attention with an interactive board that lit up when someone guessed the correct cause of a power outage in a particular service area. **[E]**



Annual report incorporates interactive content

When viewed online, the annual report for 2016 has video content that provides additional content, adding a new experience for readers.

ONLINE EXTRA



>> Visit hepn.com to view or download the 2016 annual report.



HE photo

GIFT GIVING: Christy Langley, grabs for a gift to give to Dale Harris of Wayne White Counties Electric Cooperative as Manager of Economic Development and Key Accounts Harold Gutzwiller looks on.



HE photo

GOOD TIMES: Senior Billing Analyst at Hoosier Energy Holly Nethery shares a laugh with President and CEO at Whitewater Valley REMC Mary Jo Thomas at the annual meeting.



HE photo

BIG SMILES: Enjoying each others company at the Hoosier Energy annual meeting is, from left, Ann Sipes of RushShelby REMC; Melissa Menchhofer of Southeastern Indiana REMC and Donna Mathews, wife of Southeastern Indiana Power CEO Kieth Mathews.

Service awards

Four Hoosier Energy directors were honored for their years of service on the board.



2 YEARS
Don Sloan,
Henry County REMC



5 YEARS
Janet Anthony,
Bartholomew County
REMC



5 YEARS
Dan Schuckman,
WIN Energy REMC



10 YEARS
Jim Weimer,
Utilities District of
Western Indiana REMC

New directors serving on Hoosier Energy board

Two directors are new to the Hoosier Energy Board this year. William Watkins, District 7 director for Utilities District of Western Indiana, and Dan Schantz, representing District 8 for Decatur County REMC. EnergyLines will feature a profile of each new director in the May and June issues.

William Watkins, representing District 7 for the Utilities District of Western Indiana REMC, succeeds Jim Weimer as the co-op's representative on the Hoosier Energy Board of Directors.

Watkins and his wife of 52 years are lifelong residents of Solsberry. They have two daughters, Susan and Sandi, and four grandsons.

Watkins owned and operated Watkins Foods, Inc. for 28 years until he retired. He holds a Credentialed Cooperative Director designation and has served on the UDWI Board of Directors for 32 years. Watkins loves the country life and living close to his family.

He describes himself as an honest, hardworking member of his community. He and his wife are longtime members of the Solsberry Christian Church and Bill has been a member of the Township Advisory Board for 29 years. He says his greatest personal accomplishment was operating his own business for almost three decades.

Watkins was introduced to the world of electric cooperatives by his wife's grandfather. He says the REMC's leadership and employees are among its greatest assets. As a UDWI director, he has met many people and seen many changes in the energy sector. Reflecting on his many years of service, he commented, "I have truly enjoyed serving the people."

Watkins says he plans to meet the challenges ahead by remaining dedicated to serving the needs of the membership. [E](#)



William "Bill"
Watkins



NEXT MONTH: A profile of Dan Schantz, who represents District 8 for Decatur County REMC and is a newly elected director to the Hoosier Energy Board.

FIRESIDE CHAT

For the first time in Hoosier Energy history, four members of the Board of Directors were also past chairmen of the board. We asked these directors to reflect on their leadership roles and the direction of the G&T. Here are excerpts from their videotaped "fireside chat."

Eugene Roberts

Orange County REMC

Chairman: April 2008 – April 2010

"Well, just when you think it's going to be easy, something else is on the horizon, that's always been the way."

"To me that's what electricity has always been. We bring quality of life to rural areas. You know we see that when we look at the world's situation, the number of people in the world that don't have electricity. And I've been to a couple of those places and I know what kind of life those people have and it's not great, but you know we've still got situations here in our own country where the quality of life is not what it could be. And a lot of it has to do with the fact that we don't have rural broadband and this and that and the other.

"There's just a lot of opportunities still in the electric industry field. We just have to be aware of them. We have to take advantage of them when the opportunity is there. There is no way that we can just sit still and say 'oh well we've got our power plant, we've got our portfolio now with solar, wind and so forth, we're in good shape.' We are in good shape, but we can't rest on that. We just can't."

WITH FOUR BOARD CHAIRMEN

Jim Weimer

Utilities District of Western Indiana REMC

Chairman: April 2012 - April 2014

“I think something that probably each and every one of us could point to a situation, to a circumstance in our experience on this board where it was more than just something that we were doing. It was something that we felt we were a part of that was vitally important to our members.”

Jerry Jackle

Dubois REC

Chairman: April 2002 - April 2005

“When I came on the Board, it seemed like we had one, two issues, but it was all really one. Coal prices were high and interest was high and Hoosier was trying to get on their feet. The system wasn’t that old then. And as I understood it, when Hoosier was established you had to, you were required, to purchase 10 years of coal. I guess to really prove that you could finance what had to be financed to operate. Coal prices in the 1990 range was \$39, \$40 a ton and interest rates were 10 percent. We were a fledgling company coming on and it seemed like most of the meetings early on were discussions about re-doing the contracts for coal and finance. When we finally accomplished that to a very satisfactory level I thought, you know, this is going to be easy now.”



HE photo

FIRESIDE CHAT: Talking about their leadership roles as chairmen of Hoosier Energy are, from left, Jerry Jackle, Jim Weimer, moderator and Hoosier Energy Communications Manager Claire Gregory, Darin Duncan, Eugene Roberts.

Darin Duncan

Harrison REMC

Chairman: April 2014 - April 2016

“I would just tell you that it’s human nature, I think, to fear change, but I agree that we all see change coming towards us. I think to be able to grab that and make it into opportunities like Jim said, I think we will have tremendous opportunities. I don’t think we could be any more well positioned to deal with it. We’ve got a great staff and workforce here that are highly trained, highly technical and very efficient. We’ve got modern facilities. I think that there will be tremendous opportunities for us moving down the road for economic growth and I think of the risk management side of the business that we do with ACES Power Marketing and some of the others. Twenty years ago we didn’t think like that. We’re a fairly complex business and now we see that changing I see the opportunities that are out there for us as a G&T and our member distribution co-ops and our member owners for real growth.”

Communications team awarded for excellence

Hoosier Energy's Communications Department has been recognized by two organizations for excellence in communication and creativity. The awards received

show the quality of communication taking place at Hoosier Energy on behalf of employees and member cooperatives.

NRECA 2017 Spotlight on Excellence Awards

This program recognizes a body of outstanding work produced by electric co-op communication and marketing professionals across the nation. The Spotlight on Excellence Award is an initiative of the Council of Rural Electric Communicators and is NRECA's highest communication honor. Awards are presented for best projects and programs for the year that embody high standards of quality and achievement.

The Hermes Creative Awards

This program is an international competition for creative professionals involved in the concept, writing and design of traditional and emerging media. Hermes Creative Awards is administered by the Association of Marketing and Communication Professionals.

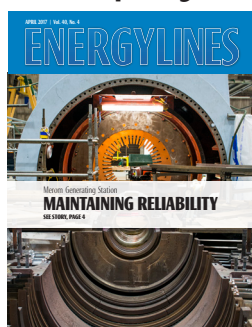
Entries are judged by industry professionals who look for talent that exceeds a high standard of excellence and whose work serves as a benchmark for the industry. This year, there were about 6,000 entries from 37 countries. [EL](#)



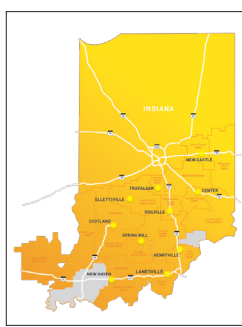
HE photo

A WINNING TEAM: The Hoosier Energy Communication Department from left, Ben Turner, Trina Pardue, Eric Neely, Crystal Rogers, Chris Johnson and Mary Lynn Beaver. The department has earned national and international awards for creativity and communication programs.

NRECA Spotlight on Excellence



■ Best internal news publication – EnergyLines



■ Best total communications – Member solar programs

Hermes Creative Awards



■ Gold award – Appliance recycling program article, as published in EnergyLines.



■ Gold award – Emerald Ash Borer article, as published in EnergyLines

COMMITMENT TO COMMUNITY

RAISING THE ROOF!

A driving rain had been pouring down for the past four days as a crew of six women entered the Habitat for Humanity worksite. Determined to help build a home for a family in need, the women put on their rain gear, mud boots and tool belts. The tasks of the day: Install trusses, roof sheathing and fascia.

For the past 16 years, the women build program has been building homes for families in Monroe County. It takes more than 300 volunteer builders and \$70,000 for land and materials to complete each home. Each volunteer builder raises funds to join one day of the build. The Hoosier Energy team raised \$3,500 toward the build.

Coordinating the build this year from Hoosier Energy was Demand Side Analyst Susie Smith. This year Smith was able to coordinate with IU Credit Union to provide tool belts.

"This was a great gift that everyone can continue to use and apply the skills that they learned today," said Smith.

While the belts helped keep the build-



HE photo

MEASURING TWICE: Hoosier Energy had six women volunteer to install a roof including Megan Miller, left, and Christy Langley who helped with trusses during the Habitat for Humanity Women's Build in Bloomington.

ers organized, the rain was relentless. By 10 a.m. there was two inches of water pooling on the floorboards of the house as teams lifted the trusses onto the top of the frame of the house.

Safety is important while working in

the elements and Smith worked hard to make sure everyone did jobs they were comfortable with.

"We knew it was going to be a soggy day so we emphasized using proper equipment and PPE," said Smith. [E](#)

Power plant experts to speak at event in Indianapolis

Matt Mabrey, Sr. Manager of Power Production for Hoosier Energy, will join other power experts in Indianapolis June 14-15. The World Arena Group proudly presents the 10th annual Power Experts Conference to discuss important topics the power industry in the United States is facing.

The conference will focus on compliance strategies, challenges for the EPA Clean Power Plan, water management strategies, effluent guideline limitations, CCR regulation updates, key factors that affect mercury controls and other industry challenges such as flexible operations.

Mabrey's presentation is about the processes used to

assess baseload generating plants to determine what improvements can be made to increase flexible operations, while minimizing detrimental effects to the assets.

"Increases in intermittent energy sources such as wind and solar results in a need for baseload facilities to operate in a more flexible mode, which they typically are not designed to do," said Mabrey. "Becoming more 'flexible' means the ability to cycle more, increase ramp rates and attain lower loads." [E](#)

INFOEXTRA



>> You can learn more about the Power Experts Conference at worldarenagroup.com/events

Co-op annual meeting highlights



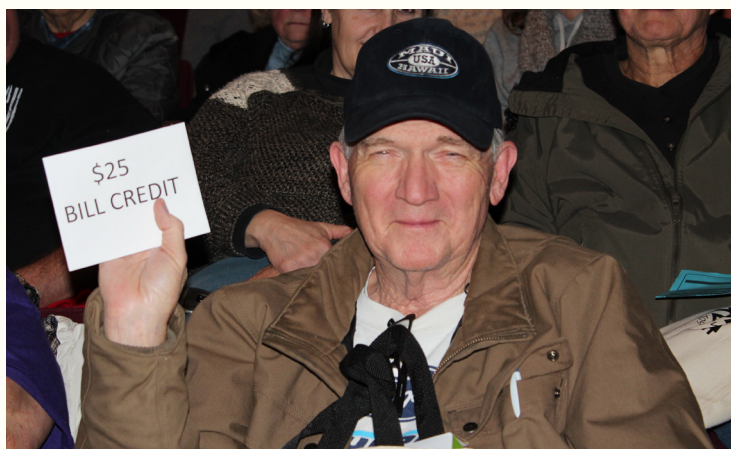
'Making Every Connection Matter'

Whitewater Valley REMC annual meeting

The Whitewater Valley REMC Annual Meeting was held on Monday, March 13 at 7 p.m. in the Richmond High School Civic Hall in Richmond, Indiana. Attendance at the meeting was good considering the amount of spring snow coming down.

Highlights:

- CEO Mary Jo Thomas mingled with the crowd, taking selfies and chatting with the more than 1,000 members who attended the event.
- Board Chairman Myron Moyer opened the event, followed by the treasurer's report from director Jodie Creek.
- CEO Thomas provided members and guests with an overview of the cooperative's efforts on reliability, managing costs, improving member communications and vegetation management. The impact of the Emerald Ash Borer involved extensive clearing of danger trees from the edges of power line rights-of-way to help with system reliability, a factor in the co-op's increased vegetation management budget, she said.
- Prize drawings included 10 scholarships, three TVs, two cash prizes (\$100 and \$50) and several bill credits ranging from \$25 to \$100.
- Kids prizes included a Play Station 4, Xbox and Samsung tablet.
- A video focused on the co-op's accomplishments, challenges and the 7 cooperative principles.



HE photo

TOP: Members slogged through a late spring snow shower to attend Whitewater Valley REMC's annual meeting.

MIDDLE: Directors and members pose with CEO Mary Jo Thomas for a selfie.

BOTTOM: Many prizes were given throughout the evening, with some lucky members winning a bill credit.

Elections: Incumbent directors Joe Nocton (North district), Garry Sayne (Central district) and Mark Singer (South district) were re-elected.

Co-op annual meeting highlights



HE photo

TOP: A member exercises cooperative principle no. 2 - democratic member control - as she votes for her district representative.

MIDDLE: General Manager Keith Mathews provided an overview of the co-op's operational challenges, growth and energy efficiency results in 2016.

BOTTOM: Jessica Small won the grand prize of a John Deere lawn tractor.

'Seven cooperative principles'

Southeastern REMC annual meeting

The Southeastern REMC Annual Meeting was held on Saturday, April 1 at 1 p.m. in the South Ripley High School in Osgood, Indiana. Country & western duo Keith Swinney and Laura Iceburg-Parks entertained the crowd of more than 1,600 members and guests. The business portion of the meeting was streamed live on the co-op's Facebook page.

Highlights:

■ Board Chairman Darrell Smith opened the event, followed by remarks from State Rep. Randy Frye; General Manager Keith Mathews, and Tom Van Paris, CEO of Indiana Electric Cooperatives.

■ Rep. Frye provided an overview of the 2017 state legislative session and progress on the Indiana Roads Bill.

■ Mathews provided an overview of the co-op, highlighting a good year with fewer outages. However, he noted additional expenditure was required for vegetation management, primarily to combat the Emerald Ash Borer. Mathews also talked about the importance of generation diversity, an ongoing plan to continue to return patronage and continued focus on reducing demand for electricity at peak times, including a pilot of Southeastern's time-of-use rate.

■ Van Paris offered a presentation tying how the local cooperative and others just like it are part of something bigger on both the state and national levels.

Elections: Three directors were re-elected: Vince Moster, Darrell Smith and Bonnie Boggs representing co-op districts 1, 7 and 8, respectively.

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