

Planning for the Future

In an effort to plan for Warren RECC's future direction, the Board of Directors and management conducted an early spring strategic planning meeting. There were five major goal categories that were identified:

1. Member Satisfaction
2. Employees
3. Technology
4. Rates and Costs
5. Risk Management

While there are multiple projects and tasks under each category, let's briefly look at each.

Member Satisfaction: Our primary focus is member satisfaction with regards to your electric supply. This focus is primarily to provide safe, reliable, and affordable electricity as our premier product to your home, farm, or business. Warren RECC conducts a quarterly survey for member satisfaction through scientific polling; moreover, we then follow-up on the survey results by making reasonable modifications to improve your satisfaction. Warren RECC is also committed to maintaining and improving our communications to you through additional methods such as social media. In addition, we are also planning to improve our offerings toward efficiency and technology improvements for your home and business electrical use.

Employees: With numerous retirements over the last 2 years and more being scheduled, Warren RECC has to focus on additional training for new and existing employees and succession planning.

Technology: Warren RECC will begin a review of the potential use of various technologies to improve our operations. With the advancement of computer-based technologies, it is important to monitor and determine if cost-effective improvements are possible. Providing our members and employees with improved technology may be applicable now, in the future, or not at all. The process will determine if improvements are possible in metering, prepay, mobile workforce, community solar, and other items.

Rates & Costs: Warren RECC will be engaged in many efforts which address cost optimization. With TVA having to make small incremental rate increases to offset increased costs due to EPA regulations and new TVA generation, they have also been busy reducing costs to lessen that impact to Warren RECC and its members. For the last three consecutive years, Warren RECC has also reduced costs. In the last half of 2015, Warren RECC will perform a cost of service study to determine if the distribution rate (which equates to about 25 cents for every dollar you pay on your electric bill) is adequate to sustain our operations. The last time Warren RECC increased its portion of the rates was in mid-2011.

Risk Management: With increased regulation and compliance requirements upon Warren RECC from government and contractual agreements, we will be improving the processes by which we monitor and comply. Other work will include a review of physical and cyber security of our systems.

While I have only touched on the above goals in summary form, there is more detail for each goal than meets the eye. Bottom line — Warren RECC is committed to being not just a *good* organization, but a *great* organization for the benefit of our member-owners.

New Industrial Growth Update

It is a blessing from God to enjoy the growth our community is seeing. Most noticeable is the significant growth in the industrial sector. Currently, Warren RECC is working to serve: (1) Constellium, located in the Kentucky Transpark in Bowling Green; (2) Bilstein, at the same park; (3) Champion Pet Products in Logan County, (4) Magna at the Kentucky Transpark (\$261 million expansion); (5) Corvette Assembly Plant (\$439 million expansion); and several others. Warren RECC electric demand increases will begin in January 2016 and continue at least over the next 18 months from these projects. There are a host of other smaller, but more numerous, projects in progress as well. Lastly, there are several confidential prospects which are considering our region for location. It is clear that south central Kentucky is undergoing an industrial expansion, which will drive commercial and residential development.

Summer Electrical Safety

When we migrate outdoors from a cold winter, there are many activities we find joyful. However, simple activities can bring unforeseen dangers. When outside, be aware of where the electrical sources are located on your house, garage, barn, business, swimming pool, hot tubs, boat docks, or other structures. Insure that electric wiring, plugs, switches, fuses, ground-fault circuit interrupters, and circuit breakers are in good condition and will operate without creating a hazard. It is important to note all equipment on your side of the electric meter is the owner's responsibility. So, don't forget — the safety of your home or business is up to you. Digging holes for fence posts, trees, poles, or other needs may put you at risk of hitting an energized power line. It may be a line owned by the homeowner or by the utility; either way, it can be dangerous. If you are digging holes or trenches and you believe Warren RECC power lines are near, please call us before you dig. Also, if you are trimming trees or using tall poles and ladders near an overhead power line, please call us beforehand for guidance. There are numerous injuries and deaths each year in America due to these hazards. Be sure you take precautions to use electric power safely. For more information, please go to our website safety page at <http://www.wrecc.com/safety>.