



# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



## MESSAGE FROM THE PRESIDENT

# “YOUR” ANNUAL MEETING

**O**n April 8, “YOUR” cooperative will hold its 80th annual meeting! Yes, I said 80th — now that is something to celebrate! The Official Notice of the Annual Meeting of Members was included with your March bill. This issue of *Ohio Cooperative Living* provides you with additional details about the meeting and the activities that are taking place. While the annual meeting gives members the opportunity to participate in the election of directors and other business, it also provides each of our members a chance to visit with the employees and directors of the co-op. These are the men and women who work each day to provide safe, reliable, and affordable electricity to you and your family. You will see various displays designed to teach and entertain, and you’ll see friends and neighbors who share common experiences and concerns.

As member-owners, you have a right and a responsibility to understand your cooperative and the mission it serves. You are partners with us

and have a vested interest in the success of “YOUR” cooperative. Again this year, we will hold a “Question and Answer” session after the business meeting is adjourned and the door prizes have been awarded. We hope this will give members the opportunity to ask questions and get feedback directly from management.

So, bring your family and your appetite. As always, the hotdogs will be grilled and ready to eat.

**See you there.**

*Have a wonderful day!  
God Bless! Jerry*



**Jerry Kackley**  
General Manager/CEO



**THANK YOU  
FOR POWERING  
OUR LIVES.**

**NATIONAL  
LINEMAN  
APPRECIATION DAY**

**APRIL 10, 2017**

# #ThankALineman



# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



## ANNUAL MEETING

# 80TH ANNUAL MEETING OF MEMBERS

*Saturday, April 8, 2017*

**BRING  
THE  
FAMILY!**



### **Larry W. Miller Intermediate School, New Concord**

Registration begins at 9:30 a.m.  
Business meeting begins at noon

#### **Every registered member receives:**

Free lightbulbs  
Free lunch  
Hot dogs grilled by linemen

#### **Door Prizes (must be present to win):**

Misc. electric appliances  
Electric grill  
Energy credits

#### **Various displays and demonstrations**

#### **Q & A session:**

Again this year, we will hold a "Question and Answer" session after the business meeting is adjourned and the door prizes have been awarded. We hope that this will give members the chance to ask questions and get feedback from management. As always, board members and employees are available to talk to you one-on-one throughout the morning.



**IT'S YOUR COOPERATIVE. PLEASE  
COME AND HAVE FUN! FILL UP WITH  
KNOWLEDGE AND FOOD. FOR MORE  
DETAILS, PLEASE CALL 1-800-521-9879.**







# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



## ENERGY EFFICIENCY

### Save money by cleaning your refrigerator coils

With spring around the corner with it's increase in outside work, I recently decided that I had a long overdue cleaning job inside. I had not cleaned out the coils on our two refrigerators for some time including under and behind them. Many of you, who have had me to your homes for energy audits, have heard me tell the importance of regular cleanings. Well, I hate to say that this is a "do as I say, not as I do" situation. Both of our refrigerators (a 2007 Frigidaire side-by-side and a 1989 Hotpoint) had quite the collection of dust bunnies, cat hair, and miscellaneous small items that were either dropped and never found or placed there by a pair of mischievous cats who like to play with any small item they can find.

I decided to measure the electric consumption of both units before and after cleaning. This was performed with a Kill-A-Watt meter on each for about a week. Both of them were using more energy than I expected and more than several years ago. I will leave the discussion of replacement for a future article. Also, this is not a "how to do" article, as there are dozens of videos and illustrated articles on the internet. I want to talk about why the coils should be cleaned.

All cooling or refrigeration units have two sets of coils. They are the evaporator coil, which is filled with refrigerant in its gas form, and the condenser coil filled with liquid refrigerant. As the refrigerant evaporates to gas in the evaporator coil located inside the area to be cooled, it absorbs heat from that space. The "heated" gas is then compressed to a hot liquid by the compressor. This liquid is passed through the condenser coil which is located away from the cooled area (like the outside unit of your central air conditioner) and heat is given off. The cooled liquid is then pulled through the expansion valve by the suction of the compressor where the liquid boils off to a gas again. This causes the temperature of the gas to drop well below freezing in the evaporator coil. This process repeats until the thermostat in the cooled area is satisfied.

The trouble arises when the condenser coil is covered in dust and dirt. The heat cannot escape from the coil. The refrigerator needs to run longer and harder to get rid of the heat. This results in increased electric

use and wear on the refrigerator.

After cleaning both refrigerators with a vacuum and brush, I measured their electric consumption again. The older unit, which has a flat coil underneath and no fan had a seven percent reduction in power use. The newer refrigerator, which has a fan blowing through a more boxed in coil (shown in pictures), had a better 16.5 percent reduction in electric use. I achieved about \$2.50 per month savings in electricity and hopefully a longer refrigerator life by taking the time to clean a place we normally never see.

So, while doing spring cleaning, let's remember to also clean refrigerator coils and clothes dryer vent pipes to save money and energy. If you have any questions about your electric use, appliances, lighting, or HVAC call me at 800-521-9879 or email me at [rcrock@gmenergy.com](mailto:rcrock@gmenergy.com).

ASK YOUR  
ENERGY  
ADVISOR



Ray Crock, Energy Advisor





## ANNUAL MEETING

### Children's Entertainment

At noon, while mom and dad are learning about their cooperative, kids will be entertained by PT Reptiles.

And as tradition since 1998, kids 12 and under who stay until the business meeting has concluded will get to take home their own bean bag animal. This year's animal is a mouse. So, kids send your parents into the business meeting while you watch PT Reptiles, and then pick up your animal!



### Energy Efficiency Tip of the Month



#### Dishwasher Efficiency Tip:

Air dry clean dishes to save energy. If your dishwasher does not have an automatic air-dry switch, turn off the dishwasher after the final rinse and prop the door open slightly so the dishes will dry faster.

Source: U.S. Dept. of Energy



For years, the fine members of Guernsey-Muskingum have been bringing their own personal items to the annual meeting for a display. This year, bring in a picture of your child, grandchild, or pet beside your meter or an electric pole to display for others to enjoy. Participants will receive a gift (*one per person*).

### Free Lightbulbs

Looking for free lightbulbs? Your free lightbulbs will be waiting for you at your 80th annual meeting. Each member who attends will receive free lightbulbs.







## GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



### Annual meeting mainstage entertainment

**T**his year, we are happy to have The Wayfarers return as your mainstage entertainment at the 80th Annual Meeting of Members. They will perform from 10:50 a.m. to 11:50 a.m. Be sure to check them out.

Hailing from rural southeast Ohio, The Wayfarers emerged on the scene in early 2010, playing their own form of American roots music. While much of their repertoire is drawn from the Appalachian tradition they revere, The Wayfarers fuse tight musicianship — centered largely by the fiddle — with the high energy that characterized early mountain music. With old-time radio shows setting the example, their style encompasses Appalachian dance music, traditional mountain fiddle tunes, and pre-bluegrass music of the 1920s — resulting in a dose of nostalgic Americana. Their spirited approach to live

performance is infectious, and people of all ages are drawn into the sounds of thumping washtub bass, driving guitars, sawing fiddles, and rich harmonies. The Wayfarers continue to carry this music forward with creativity and authenticity, making it contemporary and fun.

The Wayfarers have been featured on the national PBS television series “Song of the Mountains,” toured much of the midwest and southern Appalachians, released four studio albums, and have shared the stage with some of the biggest names in bluegrass and country music, including Ralph Stanley, Ricky Skaggs, Marty Stuart, Connie Smith, Dailey and Vincent, Lonesome River Band, Doyle Lawson and Quicksilver, Rhonda Vincent, Marty Raybon, Jerry Douglas, and many more.



## UPDATE

# YOUR RIGHTS AND RESPONSIBILITIES *as a GMEC cooperative member*

### THE ANNUAL MEETING:

Provisions regarding the annual meeting are in your Cooperative's Code of Regulations. An annual meeting shall be held each year for the purpose of electing directors and transacting all appropriate and necessary business. Each member must be given written or printed notice stating the place, day, and hour of the meeting.

### ELECTION OF BOARD MEMBERS:

The provisions for electing members of the board of directors also are included in the Cooperative's Code of Regulations. One or more member-consumers are eligible for nomination to each available position on the board. Nominees must reside in the cooperative district they are nominated to represent. All nominations are made from the floor at the annual meeting.

### VOTING:

Each member shall be entitled to one vote upon each matter submitted to a vote at the meeting. All questions shall be decided by a vote of a majority of the members present at the meeting. The spouse of a member not present may vote on behalf of such member at the meeting.

### REQUIREMENTS FOR MEMBERSHIP:

Any person, whether a natural person or firm, association, corporation, partnership, public body, or subdivision thereof will become a member of Guernsey-Muskingum Electric Cooperative, Inc., (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he/she has first: (a) made a written application for membership therein; (b) agreed to purchase from the Cooperative electric power and/or energy as specified; (c) agreed to comply with and be bound by the Articles of Incorporation and Code of Regulations of the Cooperative and any rules and regulations adopted by the board of directors of the Cooperative.

### THE CODE OF REGULATIONS:

The Cooperative Code of Regulations is available to all members on the Cooperative website, [www.gmenergy.com](http://www.gmenergy.com); additional copies of the Code are available at the Cooperative office to any member upon request.

If you are disabled and need special accommodations at the annual meeting, please call Kim Swinehart at 1-800-521-9879.

### ELECTIONS:

One director from each of the following districts will be elected for a three-year term:

**District 2** — includes Muskingum County townships of Adams, Highland, Monroe, Perry, Rich Hill, Salem, Salt Creek, Union, Washington, and Wayne; and Coshocton County township of Linton.

**District 6** — includes Guernsey County townships of Center, Jefferson, Londonderry, Madison, Monroe, Oxford, Washington, and Wills.

**District 7** — includes Guernsey County townships of Jackson, Millwood, Richland, Spencer, and Valley; and Noble County townships of Beaver and Wayne.



# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



## ANNUAL REPORT

# REPORT FROM MANAGEMENT

**2016** was another good year for your Co-op. While the winter weather was certainly mild, a hot summer contributed to strong revenues as AC units were running a lot during July and August. When the year was through, overall sales were about the same as 2015, with a total consumption of 247 million kilowatt-hours. But the strength was once again in commercial and industrial sales, as residential sales were down by 2.5 million kilowatt-hours. Rates remained stable in 2016...but more about that later.

As we mentioned last year, GMCEC's new service connections have dropped significantly over the past decade due to the economy in southeastern Ohio. In 2016, we saw a bit of a rebound with 196 new service points connected. This is drastically lower than the 400 to 500 new services we were accustomed to installing just 10 to 15 years ago, but it is better than recent years. The quick arrival and rather abrupt departure of activities related to the development of the Utica Shale seems to have thrown our local and state economies into a bit of turmoil. However, many of our newest and largest commercial members can be attributed to the development of the Utica Shale in our part of the state, and this continues to benefit all of our members. While we cannot know for sure what the future holds, 2017 is predicted to be a better year for the oil and gas industry.

The Cooperative's revenues must support our maintenance and operations activities. In addition, the operating margins must be substantial enough to provide capital for



Jerry Kackley  
General Manager/CEO



James Rex  
Chairman

the plant improvements that are needed throughout our service territory. This enables us to continue to supply the safe and reliable service that our members deserve. We are happy to inform you that operating margins in 2016 were \$1.5 million, which represents about a 4 percent return on the \$33 million in revenues for the year. These margins will ultimately be returned to the members over future years, but in 2016, we used these funds to improve your electric facilities while minimizing the amount of money we needed to borrow. We spent nearly \$3.8 million on utility plant construction and improvements in 2016, including new services, power line rebuilds, and pole replacements. We also continued with our meter replacement program, which will be completed in 2017.

Our right-of-way program continues to be strong, as we spent about \$2.8 million to clear trees and brush in 2016. Of this, nearly \$700,000 (25 percent) was spent to remove ash trees that fell victim to the emerald ash borer. To date, our financial strength has enabled us to focus resources on fighting this "green pest" without increasing rates.



While this is an expensive and tedious task, we will continue to devote resources over the next few years to help us assure you that your electric service remains reliable. A special “thank you” to members who let us cut outside of our normal right-of-way...now that’s the cooperative spirit!

### Now back to those rates...

Fortunately, during the last four years, there has not been a single rate increase for the members of our Cooperative! In fact, the Cooperative’s rates have actually gone down by a total of 3 mils, or savings of around \$3 to \$4 per month for the average member. In addition, the Cooperative gave a “one-month” rate refund in December 2014 and a temporary rate reduction in the last quarter of 2015. While we expected a slight rate increase in 2016, we were actually able to maintain the rates. However, the increasing cost of battling the emerald ash borer coupled with a warm winter will result in a slight increase of .2 cents per kilowatt-hour in 2017, which is about \$2 per month for our average member. This still leaves rates lower than they were in 2012.

2017 brings with it a lot of uncertainty for utilities with perhaps a bit of optimism. The prior administration’s EPA rules creating new, stricter emission limits on CO2 for coal-burning generation plants may be overturned by the new administration. This may restore our country to an “all-of-the-above” energy strategy as we have been promised, which may enable us to continue to generate power at our Cardinal units for years to come. In fact, with AEP’s announcement that it may divest of its Ohio generation units, Buckeye Power may take on an even greater role in operating the Cardinal facility. We will keep you informed as the year progresses.

Please know that your Cooperative is concerned about the environment. We understand that our members want clean air and water. We all want to leave this world a better place for our children and grandchildren. But like

*Continued on Page 22*

## BALANCE SHEETS

### December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b> (Notes 1 and 2):		
ELECTRIC PLANT: (Note 3)		
In Service – at cost	\$ 77,559,206.73	\$ 75,539,952.36
Construction Work in Progress	801,428.17	350,404.52
Subtotal	<u>\$ 78,360,634.90</u>	<u>\$ 75,890,356.88</u>
Less Accumulated Provision for Depreciation and Amortization	<u>(17,844,457.38)</u>	<u>(17,454,983.48)</u>
Net Electric Plant	<u>\$ 60,516,177.52</u>	<u>\$ 58,435,373.40</u>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
Investments in Associated Organizations (Note 4)	\$ 14,593,591.08	\$ 14,584,364.96
Other Investments – Nonutility Property	64,449.78	67,555.02
Total Other Assets and Investments	<u>\$ 14,658,040.86</u>	<u>\$ 14,651,919.98</u>
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	\$ 1,585,279.34	\$ 797,023.94
Cash – Construction Funds	–	–
Special Deposits	–	–
Accounts Receivable (less accumulated provision for uncollectible accounts of \$251,650.25 in 2016 and \$303,560.46 in 2015)	3,842,784.96	3,366,641.69
Other Current Assets	33,103.05	31,837.52
Materials and Supplies	580,877.96	818,890.22
Prepayments	43,255.95	52,668.88
Total Current Assets	<u>\$ 6,085,301.26</u>	<u>\$ 5,067,062.25</u>
<b>DEFERRED CHARGES</b> (Note 5):	<u>\$ 1,215,377.56</u>	<u>\$ 1,353,187.40</u>
<b>TOTAL ASSETS</b>	<u>\$ 82,474,897.20</u>	<u>\$ 79,507,543.03</u>
<b>EQUITIES AND LIABILITIES</b> (Note 1):		
<b>EQUITIES:</b>		
Patronage Capital (Note 6)	\$36,935,327.68	\$ 35,544,410.37
Other Equities (Note 7)	418,895.06	418,895.06
Total Equities	<u>\$37,354,222.74</u>	<u>\$ 35,963,305.43</u>
<b>LONG-TERM DEBT:</b>		
RUS Mortgage Notes Less Current Maturities (Note 8)	\$ 24,964,614.00	\$ 33,320,584.53
CFC Mortgage Notes Less Current Maturities (Note 8)	13,978,200.53	4,242,500.19
Regulatory Liability (Note 10)	–	–
Total Long-Term Debt	<u>\$ 38,942,814.53</u>	<u>\$ 37,563,084.72</u>
<b>CURRENT LIABILITIES:</b>		
Current Maturities of Long-Term Debt	\$ 1,679,155.00	\$ 1,446,978.00
Note Payable – Short-Term	28,086.12	175,246.15
Regulatory Liability (Note 10)	–	110,000.00
Accounts Payable – Purchased Power	1,758,912.08	1,556,321.00
Accounts Payable – Other	670,518.39	728,089.62
Consumer Deposits	435,239.11	411,149.61
Accrued Taxes	1,148,466.90	1,123,161.63
Other Current Liabilities	282,997.76	275,287.36
Total Current Liabilities	<u>\$ 6,003,375.36</u>	<u>\$ 5,826,233.37</u>
<b>CONTINGENT LIABILITIES</b> (Note 10):		
<b>DEFERRED CREDITS</b> (Note 11):	<u>\$ 174,484.57</u>	<u>\$ 154,919.51</u>
<b>TOTAL EQUITIES AND LIABILITIES:</b>	<u>\$ 82,474,897.20</u>	<u>\$ 79,507,543.03</u>

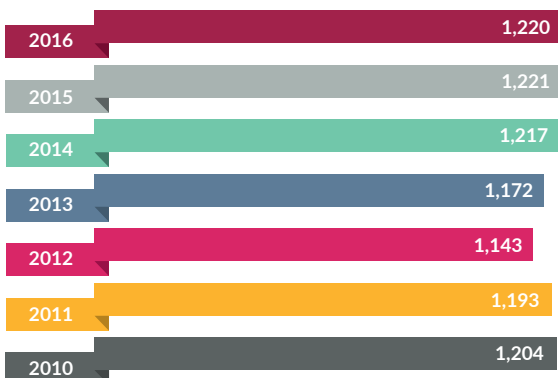
(The accompanying notes are an integral part of this statement.)



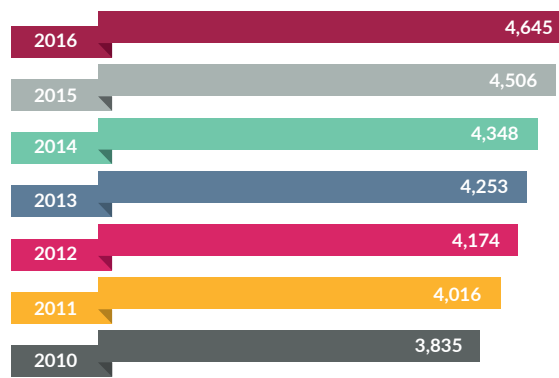
# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING

## Guernsey-Muskingum Trends

Average Monthly Use (kWh – all consumers)



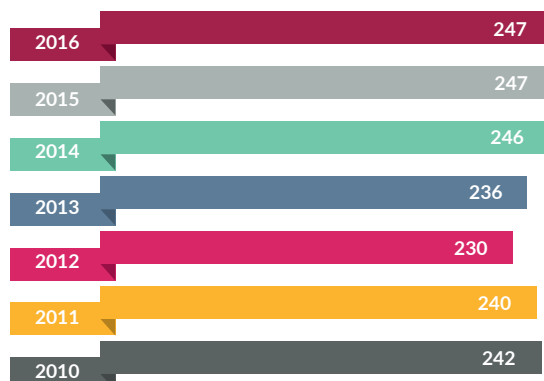
Plant Investment (Dollars per Consumer)



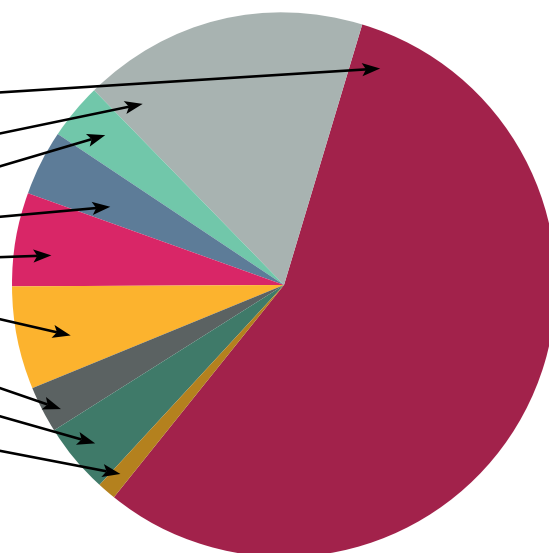
Consumers Served



kWh Sold Annually (in millions)



Cost of Purchased Power ..... 56.08%  
Line Operations  
& Maintenance ..... 16.91%  
Tax Expense..... 3.23%  
Interest on Long-Term Debt ..... 3.95%  
Administrative & General ..... 5.62%  
Depreciation ..... 6.00%  
Consumers Accounting  
& Collecting ..... 2.68%  
Operating Margin ..... 4.33%  
Customer Service Expense ..... 1.20%



## STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

For the years Ended December 31, 2016 and 2015

	2016	2015
<b>OPERATING REVENUES:</b>	\$ 33,588,914.68	\$ 33,382,475.61
<b>OPERATING EXPENSES:</b>		
Cost of Power	\$ 18,836,497.48	\$ 18,749,560.36
Transmission Expense	4,952.92	2,035.30
Distribution - Operation	1,970,317.89	1,924,360.32
Distribution - Maintenance	3,703,590.81	3,290,434.52
Consumer Accounts Expense	898,964.47	1,013,724.99
Customer Service and Information Expense	405,670.32	392,039.57
Administrative and General	1,886,776.53	1,881,004.52
Depreciation and Amortization	2,016,085.64	1,956,038.04
Taxes	1,084,950.00	1,084,160.00
Interest on Long-Term Debt	1,306,186.11	1,354,785.35
Other Interest Expense	20,727.26	11,202.78
Total Operating Expenses	\$ 32,134,719.43	\$ 31,659,345.75
Operating Margins Before Capital Credits	\$ 1,454,195.25	\$ 1,723,129.86
<b>BUCKEYE CAPITAL CREDITS:</b>	633,648.15	1,554,383.35
<b>OTHER CAPITAL CREDITS:</b>	61,306.71	68,216.29
Net Operating Margins	\$ 2,149,150.11	\$ 3,345,729.50
<b>NONOPERATING MARGINS:</b>		
Interest and Dividend Income	\$ 130,106.97	\$ 104,925.83
Miscellaneous Nonoperating Income (Expense)	(3,409.67)	(1,109.41)
Total Nonoperating Margins	\$ 126,697.30	\$ 103,816.42
<b>NET MARGINS FOR PERIOD:</b>	\$ 2,275,847.41	\$ 3,449,545.92
<b>PATRONAGE CAPITAL:</b> Beginning of Year	35,544,410.37	32,864,805.06
Retirement of Capital Credits	(896,209.32)	(779,065.27)
Capital Credits Reassignable	11,279.22	9,124.66
<b>PATRONAGE CAPITAL:</b> End of Year	\$36,935,327.68	\$35,544,410.37

(The accompanying notes are an integral part of this statement)

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2016 and 2015

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Consumers	\$ 33,112,771.41	\$ 33,641,590.65
Interest and Dividend Income	127,577.57	105,025.83
Capital Credits	684,110.85	471,966.77
Cash Provided by Operating Activities	\$ 33,924,459.83	\$ 34,218,583.25
Cash Paid to Suppliers and Employees	\$ 26,983,516.46	\$ 26,767,503.34
Interest and Taxes Paid	2,646,633.39	2,698,622.52
Cash Disbursed for Operating Activities		29,630,149.85
29,466,125.86		
Net Cash from Operating Activities	\$ 4,294,309.98	\$ 4,752,457.39
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Construction and Acquisition of Plant	\$ (2,912,391.65)	\$ (3,059,912.54)
Proceeds from Disposal of Plant	(1,182,881.11)	(1,328,001.70)
Investment in Associated Organizations	1,617.89	(10,271.60)
Other Nonoperating Income (Expense)	(5,026.67)	(1,109.41)
Net Cash Used by Investing Activities	\$ (4,098,681.54)	\$ (4,399,295.25)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net Change in Consumer Deposits	\$ 24,089.50	\$ 29,355.74
Payments on Long-Term Debt	(2,888,093.19)	(436,428.65)
Payments on Short-Term Debt	(1,299,529.73)	-
Patronage Capital Credits Retired	(896,209.32)	(779,065.27)
Proceeds from Long-Term Debt	4,500,000.00	-
Proceeds from Short-Term Debt	1,152,369.70	175,246.15
Net Cash from Financing Activities	\$ 592,626.96	\$ (1,010,892.03)
<b>NET INCREASE IN CASH:</b>	\$ 788,255.40	\$ (657,729.89)
<b>CASH - BEGINNING OF YEAR:</b>	\$ 797,023.94	1,454,753.83
<b>CASH - END OF YEAR:</b>	\$ 1,585,279.34	\$ 797,023.94
<b>SUPPLEMENTAL DISCLOSURE OF: NON-CASH FINANCING ACTIVITIES:</b>		
REFINANCED RUS DEBT WITH CFC DEBT	\$ 10,853,061.74	\$ -
<b>RECONCILIATION OF NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
<b>NET MARGINS:</b>	\$ 2,275,847.41	\$ 3,449,545.92
<b>ADJUSTMENTS TO RECONCILE NET MARGINS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Depreciation and Amortization	\$ 2,016,085.64	\$ 1,956,038.04
Buckeye Power, Inc. and Other Capital Credits (Noncash)	(10,844.01)	(1,150,632.87)
Provision for Uncollectible Accounts Receivable	(51,910.21)	(2,722.59)
(Increase) Decrease In:		
Customer and Other Accounts Receivable	(424,233.06)	261,837.63
Current and Accrued Assets - Other	249,264.90	184,989.04
Deferred Charges	137,809.84	786,773.32
Increase (Decrease) In:		
Accounts Payable	145,019.85	(84,898.87)
Accrued Taxes	25,305.27	23,445.37
Current and Accrued Liabilities - Other	(102,289.60)	(633,737.57)
Deferred Credits	19,565.06	(48,414.10)
Miscellaneous Nonoperating (Income) Expense	3,409.67	1,109.41
Capital Credits Reassignable	11,279.22	9,124.66
Total Adjustments	\$ 2,018,462.57	\$ 1,302,911.47
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 4,294,309.98	\$ 4,752,457.39

(The accompanying notes are an integral part of this statement)





# GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE CURRENTLY SPEAKING



## ANNUAL REPORT

### Report from management

*Continued from Page 20G*

it or not, we are dependent on electricity in almost every aspect of our lives; it is a necessity. Coal-fired generation still supplies a tremendous portion of our country's electricity needs. Any energy strategy that attempts to eliminate coal will likely cause electric bills to increase significantly, and reliability will suffer. Our energy focus should include all sources of generation including solar, wind, hydro, nuclear, natural gas, and coal. It should encompass not only electric generation but also transportation, manufacturing, and energy production and innovation. We must all conserve and become more efficient users of all forms of energy. That is simply the smart thing to do.

Your Cooperative is a not-for-profit utility owned by those it serves — you the members. Any money remaining after expenses are paid (the margins of the Cooperative) are returned

to you as capital credits. In 2016, your board of directors continued the policy of refunding capital credits to members and the estates of deceased members. 2016 was another record year for your Co-op as nearly \$900,000 of patronage was returned to our members, with most members receiving these as a credit (reduction) on their December electric bills. Since our inception, the Cooperative has returned nearly \$15 million to members and former members! This is a real example of your ownership of the Cooperative.

2016 provided your Cooperative with many challenges and opportunities. As we begin 2017, we will continue to focus on serving the needs of our members and keeping your Cooperative strong while providing safe, reliable, and affordable electricity. That is why we exist. With God's help and the support of our members, we will continue to do just that.

#### GUERNSEY-MUSKINGUM ELECTRIC COOPERATIVE, INC.

##### CONTACT

800-521-9879 | [www.gmenergy.com](http://www.gmenergy.com)

##### OFFICE

17 S. Liberty St.  
New Concord, OH 43762

##### OFFICE HOURS

Monday - Friday 7:30 a.m. - 4:30 p.m.  
Saturday 8 a.m. - 4 p.m.

This institution is an equal opportunity provider and employer.

##### ELECTRIC RATES

Farm and Home Service rate schedule R-1\*  
Service Availability Charge — \$18/mo.  
First 500 kWh/month — 12.969¢/kWh  
Over 500 kWh/month — 10.845¢/kWh

Seasonal Residential Service  
rate schedule S-1\*

Service Availability Charge — \$216/yr.  
First 800 kWh/yr. — 20.769¢/kWh  
800 to 6,000 kWh/yr. — 11.645¢/kWh  
Over 6,000 kWh/yr. — 10.645¢/kWh  
(Minimum annual charge — \$216/yr. for  
service between March 1, 2017, and Feb.  
28, 2018)

Commercial Service rate schedule C-1\*  
Service Availability Charge — \$18/mo.  
First 1,500 kWh/mo. — 12.969¢/kWh  
Over 1,500 kWh/mo. — 10.845¢/kWh

\*Rider T — Kilowatt-Hour Tax applies to  
all rate schedules and must be added to  
the rates shown.

First 2,000 kWh/mo. — 0.465¢/kWh  
Next 13,000 kWh/mo. — 0.419¢/kWh  
Over 15,000 kWh/mo. — 0.363¢/kWh

#### BOARD OF DIRECTORS

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