



A Touchstone Energy® Cooperative 



2022 ANNUAL REPORT

INTEGRITY ON THE LINE

A MESSAGE FROM PRESIDENT & CEO GREG LEE

At Nolin RECC, we believe in ongoing growth and development not only as individual employees, but in the services we offer our members. Each industry has its challenges, but this is a particularly dynamic time in the electric utility field. Balancing affordability with reliability, responsiveness and dependability is difficult during the normal course of business. It becomes even more exacerbated when political and environmental interests posture as adverse to each other—championing reductions in fossil fuel generation and increasing carbon free generation, all the while demanding more from electrical infrastructure. While these are big picture themes Nolin must consider, we have accomplished much locally.

- In 2022, we retired \$6,295,122.47 in capital credits to our members, marking the fourth consecutive year in which we have made a general retirement. The cumulative value returned to our members since 2019 now totals over \$16.6M.
- Our subsidiary, Wide Open Utility Service, continues to grow in its support of Nolin RECC now with over 25 employees. Summer 2023 will bring the implementation of our new Integrated Vegetation Management plan in an effort to responsibly use herbicide treatments (when applicable) and reduce manual and mechanical cutting and clearing in the future. This process takes several years to become fully viable, but we are excited about the long-term benefits to our reliability and financial position.
- Nolin RECC found itself in a fortunate financial position in 2022, with total margins of \$11,125,201. The operational stewardship and financial prudence of our personnel are key factors in curtailing our expenses despite noteworthy inflationary pres-

ures. We understand that our members have been impacted by rising fuel adjustment clause and environmental surcharges. Unfortunately, we cannot control those factors, and their increase has no effect on our bottom line. We commiserate with our members and will continue working to keep our controllable costs as low as possible, while continuing to render strong service reliability.

- Over the last 18 months we have seen an uptick in weather-related outages in our service territory and across the southeast/midwest. Nolin personnel have assisted six cooperatives in Kentucky and one in Ohio for storm response during that timeframe. Additionally, we received assistance after a windstorm in March 2023 from cooperatives in Georgia and Illinois.
- Industrial growth in Nolin's territory continues to be a significant development. Three large scale industrial projects are well underway in the

TJ Patterson Industrial Park. Numerous other industrial projects are in development. Additionally, Nolin is building its long-range engineering plan accounting for residential growth from the population uptick associated with increasing the local workforce.

- On a personal note, this is the last annual meeting for Board Director Buddy Rosenberger and Board Attorney John Scott. It has been an honor and a privilege to work with both of these men over the course of my career. I am grateful for their friendship and the many things they have done for our co-op.

We will continue to strive for outstanding performance and keep our members' best interests in mind with all we do. We hope to see you at our annual meeting.

by Greg Lee



OFFICIAL NOTICE OF ANNUAL MEETING OF MEMBERS OF NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

Where: Nolin RECC Office, 411 Ring Road, Elizabethtown

Thursday, June 15, 2023

Drive-thru registration 8 a.m.–5 p.m.

Friday, June 16, 2023

Drive-thru registration 8 a.m.–2 p.m.

Offices close..... 2 p.m.

Walk-up registration 2–3 p.m.

Bring the registration slip you received in the mail to our Elizabethtown office during one of the registration times listed above to receive your bucket, bulbs and gift. Members will also be entered in the drawing to win cash prizes during registration and do NOT need to be present to win.

Business Meeting: Friday, June 16, 2023, 3 p.m.

Where: Nolin RECC's Cooperative Meeting Center

(The meeting will be livestreamed on Nolin RECC's YouTube channel and members may also attend in person).

Visit www.nolinrecc.com and Nolin's Facebook page for details

Cover photo: Nolin RECC Operations Manager Andy Patterson. Photo: Nolin Line Technician Jamie Price

DIRECTOR ELECTION

DISTRICT 1



SARAH FELLOWS

Mark Cochran

Mark Cochran was born in Hardin County and is a lifetime resident of Rineyville. The son of Bill and Rosie Cochran, Mark is a third generation farmer who raises cattle and hogs. After graduating from North Hardin High School, he earned his bachelor's degree in animal science from the University of Kentucky in 1998. Mark and his wife, Judy, along with 9-year-old son Toby, are members of St. Brigid Catholic Church in Vine Grove.

Mark is active in numerous organizations including serving as vice president on the board of directors for Southern States. In addition, he is a member of the Hardin

County Cooperative Extension Council, the Kentucky Pork Producers, the Hardin County Cattlemen's Association and the Knights of Columbus. Mark also serves as treasurer for the Vine Grove Youth Soccer League.

Personal remarks from Mark Cochran: *"As a farmer and homeowner, I understand the importance of reliable and affordable electricity. I will work hard to help ensure our co-op continues to be financially strong, progressive and transparent. I will serve as your advocate and make decisions that are in the best interest of Nolin members."*



SARAH FELLOWS

Sharon Phillips Sturgeon

Having lived in this area her whole life, Sharon Phillips Sturgeon was raised on a local dairy farm in Vine Grove. She comes from a family that has conducted business in the home and road construction industry in Hardin County for many years. Sharon graduated from Meade County High School and attended Elizabethtown Community and Technical College. She has owned her own landscaping company in the past and recently retired from the trucking industry. Sharon has been involved in volunteering for local causes, most recently Clarity Solutions for Women.

Sharon is married to Paul Sturgeon, a retired professor from ECTC, and they have three children and five grandchildren. She and her husband attend Crossroads Baptist Church.

Personal remarks from Sharon Phillips Sturgeon: *"If elected to the board of directors, I will make a conscious effort to meet the demands of the co-op and keep the interest of the people foremost in any decisions. Keeping electric cost to a minimum for our members is a high priority for me. Quality of life starts at home—reliable electric service and low rates from your cooperative can help make that happen."*

DISTRICT 4



SARAH STRADER

David P. Brown

David P. Brown is employed at Irving Materials, Inc. (IMI) in Elizabethtown. He and his brother also work on their family farm near Hodgenville. David and his wife, Michelle, have four daughters: Kaelyn, Danielle, Ivy and Presley. The Browns also have three grandchildren: Owen, Kampbell and Asher. David enjoys golf and spending time with his family.

David began serving on the Nolin board in June 1994 and was elected chair of the board in 2003. He is a Credentialed Cooperative Director through the National Rural Electric Cooperative Association Director Education Program. He served on the Hardin/LaRue County Southern States board and is a past member of the LaRue County Extension Council.

Personal remarks from David Brown: *"I am committed to all members and will do my best to ensure you continue to receive safe, affordable and reliable electricity. I believe in the Touchstone Energy Cooperative values and will see that your co-op maintains its strong presence in our communities with needed services and support systems. I believe in the importance of the cooperative principle of education and I am dedicated to helping our youth understand the benefit of cooperative membership. It has been an honor to serve the members of Nolin and I look forward to the opportunity to serve you for another term."*

ACTIVE ACCOUNTS

As of December 31, 2022

Breckinridge	28	Hart	306
Bullitt	1	LaRue	4,673
Grayson	405	Meade	127
Green	137	Taylor	106
Hardin	31,020	TOTAL	36,803

AVERAGE KWH USE (residential per month)

2022..... 1,203

MILES OF LINE

2022

Overhead	2,486
Underground	482

METERS PER MILE

2022..... 12.40

STATEMENT OF OPERATIONS

As of December 31, 2022

Operating Revenue \$91,844,316

OPERATING EXPENSE

Purchased Power	\$65,721,695
Operating System	16,484,540
Depreciation	4,792,215
Interest on Loans	2,238,442
Other Deductions	53,187

Total Cost of Electric Service \$89,290,079

Operating Margins	\$2,554,237
Non-Operating Margins	8,247,459
Other Capital Credits	2,505,528

Patronage Capital and Margins \$13,307,224

BALANCE SHEET

As of December 31, 2022

ASSETS

Total Utility Plant	\$137,818,919
Less Depreciation	62,321,632
Net Utility Plant	75,497,287
Non-Utility Property and Other Investments	54,328,359
Cash and Reserves	16,868,787
Accounts and Notes Receivable	25,410,629
Inventory	1,600,750

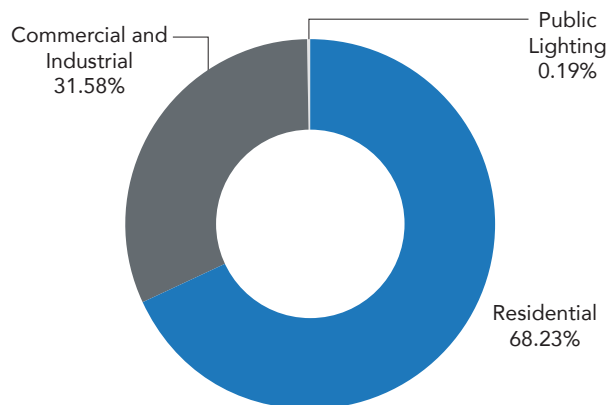
Total Assets \$173,705,812

LIABILITIES

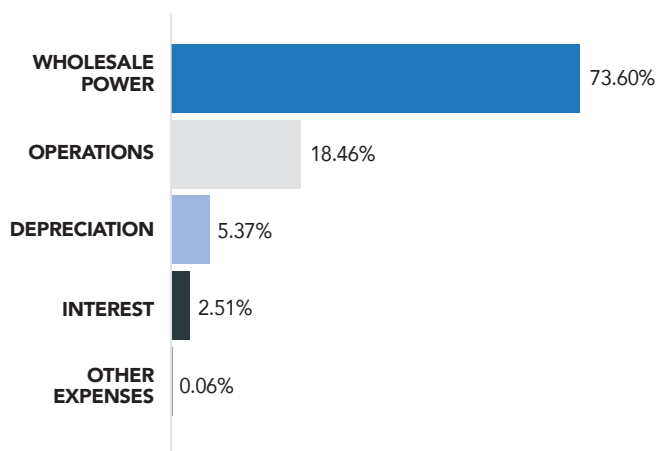
Membership and Other Equities	\$92,838,979
Long-Term Debt	60,236,029
Notes and Accounts Payable	9,365,225
Current and Accrued Liabilities	4,127,151
Deferred Credits and Miscellaneous	7,138,428

Total Liabilities \$173,705,812

KWH SALES BY CUSTOMER CLASS

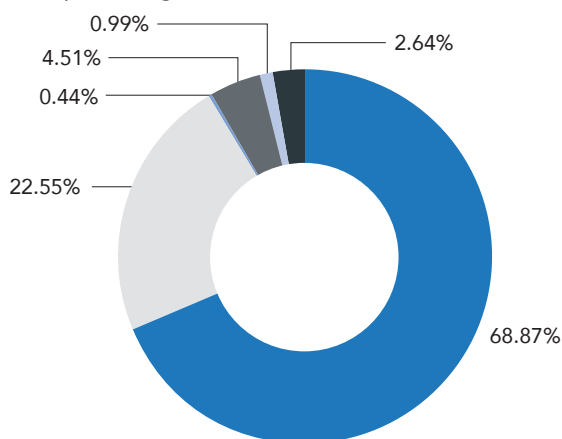


EXPENSE DRIVERS



REVENUE SOURCES

(as a percentage of total dollars)



- Residential Sales
- Commercial & Industrial Sales
- Public, Street and Highway Lighting Sales
- Fort Knox Operations
- Miscellaneous Service Revenue
- Capital Credit Allocations