



A Touchstone Energy® Cooperative 



2023 ANNUAL REPORT

INTEGRITY ON THE LINE

A MESSAGE FROM PRESIDENT & CEO GREG LEE

The climate in the energy and utility industry is as complicated now as it ever has been. New federal policy stipulates rules that will force the retirement or closure of numerous fossil fuel fired electric generation plants in a relatively short period of time (8 years or less). These exceptionally reliable units are the backbone of the national electric grid and a key reason that the U.S. economy has been successful over the last 100 years.

A steady supply of electricity allows commerce and industrial production to prosper. The juxtaposition of new EPA rules coupled with the increasing demand placed on the national grid makes no sense. Surplus capacity is limited as-is—and the subsidies that are driving electric vehicle growth make this challenge even worse. Then, rules are added that will remove a large portion of that existing capacity.

Decisions regarding power plants require deliberate operational and financial planning. These are decisions that are made on the basis of 40–50 year periods. It is impossible to make the best possible decisions when rules can change extensively in 4–8 year cycles. The unrealistic and unachievable roadmap in front of us would be like adopting a rigorous weight loss diet while also mandating the consumption of 10 cheeseburgers every day. It's just not going to work.

Fortunately, through the passage of Kentucky Senate Bill 349, our legislators have taken measures to help Kentucky posture itself against problematic federal policy. Key stakeholders will be actively involved in determining when and how fossil fuel plants can and should be closed. This will help ensure that reliability and affordability are kept at the forefront with all decisions made regarding the future of generation assets in our state.

Cover photo: Nolin RECC Apprentice Line Technician Bryson Puyear.
Photo: Tim Webb

In the context of that political landscape, Nolin continues to provide safe, affordable and reliable electricity to our members. Below are some key points from Nolin RECC in 2023:

- Our capital credit distributions were just over \$2.7 million, bringing our five-year total to over \$20.1 million. We will soon make the decision whether to make a general retirement for the sixth consecutive year.
- Despite some difficult weather events that dealt us a tough hand, Nolin was able to keep controllable outages curtailed to an acceptable level. It was not our best year, but considering how the weather impacted us and our neighboring peers in the region, our performance was solid. A huge thanks to our line design team, lineworkers and vegetation management personnel who work hard to make good decisions and take actions that will help keep your lights on.

- Our margins are significantly lower in 2023 than other recent years. Our controllable operating costs have stayed relatively static. Unfortunately, the cost of wholesale purchased power and interest rates are increasing at a rate that outpaces our revenues. We are taking great care to manage our controllable expenses without sacrificing the service you rely on.

Despite the challenges in our industry, the team here at Nolin RECC continues to work hard for all our members. YOU are the driving force behind all our efforts. 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

Wednesday, June 19, 2024

Drive-thru registration 8 a.m.–5 p.m.

Thursday, June 20, 2024

Drive-thru registration 8 a.m.–3 p.m.

Office closes..... 2 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 a drawing to win cash prizes during registration and do NOT need to be present to win.

Business Meeting: Thursday, June 20, 2024, 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.

DIRECTOR ELECTION

DISTRICT 3

Rick Thomas

Raymond E. “Rick” Thomas is a lifelong resident of Hardin County. He graduated from West Hardin High School and received an associate degree in business from Elizabethtown Community College. Rick is also a graduate of the Philip Morris Agricultural Leadership Development Program at the University of Kentucky, and the Kentucky Cattlemen’s Association Leadership Development Program.

During school and for the first 15 years of Rick’s career, he worked in the family trucking business, Thomas Poultry and Egg Company, while farming part time. Rick and Donna married in 1977. They purchased the Bethlehem Academy Farm in 1988 and farmed full time, until semi-retiring in 2020. Their diversified farming operation has consisted of registered Angus cattle, grain crops and tobacco, along with a tobacco float system operation that included a wholesale/retail business, sheep, corn and soybean seed sales, alfalfa hay, and a fall mum and pumpkin agritourism business.

Rick has served as a Nolin RECC director since December 2004. He is a Credentialed Cooperative Director and completed the Board Leadership Program and the Director Gold Program through NRECA’s Director Education Program. He and Donna are members of St. Ambrose Catholic Church in Cecilia, where he serves on the parish council as vice-chairman and the building maintenance supervisor. The couple received the Distinguished Farm City Relations Award in 2003 and the Lifetime Achievement Award from the Kentucky Angus Association in 2015. Rick received the Jack Snyder Award presented by the Elizabethtown Rotary Club, the Distinguished Service to Agriculture Award presented by Hardin County Farm Bureau, and the Master Conservationist Award presented by the Kentucky Soil and Water Conservation Commission. He is a past vice-chairman of the Hardin County Planning Commission, past director for Farm Bureau, past president of the Mid-Kentucky Angus Association, a founding officer and past chair of the Hardin County Beef Cattle Association, and past chair of the Hardin County Extension Foundation. In 2020, Rick was selected to represent Nolin on the East Kentucky Power Cooperative Board of Directors.

Remarks from Rick: *“I have appreciated the opportunity to serve as Nolin’s District 3 Director, and I appreciate the confidence my fellow board members have shown by appointing me as the director representative for Nolin on the East Kentucky Power Cooperative Board. I am committed to the co-op members’ interest in maintaining and improving the services available and keeping our rates as low as possible. I pledge to do my best to ensure safe, reliable and affordable electricity for present and future co-op members, while carrying on the legacy of this cooperative.”*



DISTRICT 5

Linda Grimes

Linda Grimes along with her husband, Coleman, and brother-in-law and his wife, own and operate Grimes Farms in LaRue County. They grow corn and soybeans and have Red Angus beef cows. Linda is involved in the daily activities on the family farm, from operating the machinery to animal husbandry and keeping the books. Linda and Coleman have two children: Joyce and Warren. Joyce and her husband Greg Goode, who farm in Liberty, have three daughters: Emily, Leann and Breanna. Warren and his wife, Mallory, work on the family farm. Linda and her husband are members of Mt. Tabor Baptist Church in Buffalo where Linda serves as the minister of music and is very active in church ministry to children and youth.

Linda was elected by Nolin members to serve as director of District 5 in June 2009. She has completed the Credentialed Cooperative Director Program, Board Leadership Program and the Director Gold Program through NRECA. Linda serves as Nolin’s representative for the Kentucky Electric Cooperatives board and serves on the National Rural Electric Cooperative Association Resolutions Committee.

A graduate of LaRue County High School, Linda’s community is very important to her. From years of leadership in a variety of organizations to coordinating Sunday worship for Lincoln Days, Linda has always valued playing an active role in the community she has called home her whole life.

Linda’s love for music and singing have taken her across the local area to churches, assisted living facilities and nursing homes performing with the bluegrass-country-gospel group, One Lane Bridge. Linda also serves on the board of the Music City Christian Fellowship in Nashville, Tennessee, which produces the annual Sunday Morning Country show. The show is celebrating its 42nd year this June. She has been honored to sing on the stage of the Ryman Auditorium and Grand Ole Opry stage in Nashville. Linda enjoys riding motorcycles, working outdoors and cherishes time spent with her family.

Remarks from Linda: *“It is a great honor to serve as your director. I feel the directors have an obligation to, and are accountable for, making the best decisions for the cooperative members. I have gained knowledge of the workings of the business of delivering safe, reliable and affordable electricity to our members, and will continue to stay informed by attending educational programs and meetings to better serve you. I will continue to keep the members’ needs foremost when helping make decisions for our cooperative. I ask for your support and thank you for allowing me to be your director.”*



ACTIVE ACCOUNTS

As of December 31, 2023

Breckinridge	28	Hart	304
Bullitt	1	LaRue	4,637
Grayson	402	Meade	122
Green	136	Taylor	104
Hardin	31,080	Total	36,814

AVERAGE KWH USE (residential per month)

2023..... 1,201

MILES OF LINE

2023

Overhead	2,485
Underground	501

METERS PER MILE

2023..... 12.46

STATEMENT OF OPERATIONS

As of December 31, 2023

Operating Revenue \$85,369,149

OPERATING EXPENSE

Purchased Power	\$59,298,279
Operating System	16,851,520
Depreciation	4,975,593
Interest on Loans	3,093,406
Other Deductions	653,521

Total Cost of Electric Service \$84,872,319

Operating Margins	\$496,830
Non-Operating Margins	1,456,991
Other Capital Credits	1,655,783

Patronage Capital and Margins \$3,609,604

BALANCE SHEET

As of December 31, 2023

ASSETS

Total Utility Plant	\$144,341,463
Less Depreciation	65,930,121
Net Utility Plant	\$78,411,342
Non-Utility Property and Other Investments	\$57,427,859
Cash and Reserves	12,540,560
Accounts and Notes Receivable	19,283,793
Inventory	1,918,465

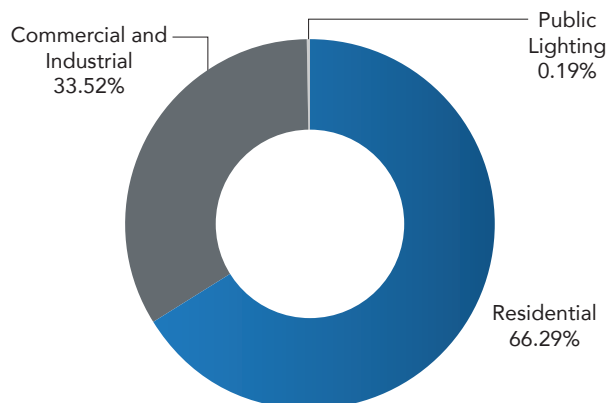
Total Assets \$169,582,019

LIABILITIES

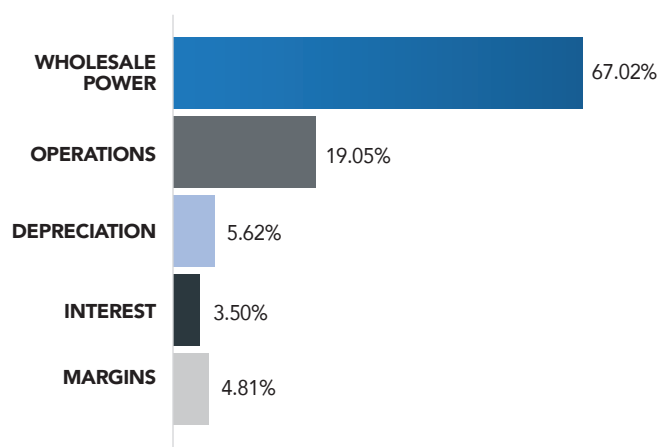
Membership and Other Equities	\$95,545,448
Long-Term Debt	54,659,461
Notes and Accounts Payable	7,667,819
Current and Accrued Liabilities	4,496,031
Deferred Credits and Miscellaneous	7,213,260

Total Liabilities \$169,582,019

KWH SALES BY CUSTOMER CLASS



EXPENSE DRIVERS



REVENUE SOURCES

(as a percentage of total dollars)

