ENERGYLINES



CO-OP STORM RECOVERY

Tornadoes track through Illinois and Indiana co-op territory. | Page 4







NEWS BRIEFLY



Hunter Smith to punt his way into annual

meeting message

Hunter Smith is a 12-year NFL veteran, Super Bowl champion, Billboard top 20 Christian singer/songwriter and author. Smith attended the University of Notre Dame and continued his football career with the Indianapolis Colts – where he was part of the 2006 Super Bowl championship team. Since then, Smith has formed the Hunter Smith Band who he says sounds like "country and something." Smith, his wife and three children live in Zionsville.

Agencies affirm Hoosier Energy 'A' credit

In separate annual credit reviews, Moody's Investors Service and Standard & Poor's Global Ratings (S&P) reaffirmed Hoosier Energy's solid credit ratings.

Moody's affirmed Hoosier Energy's A2 rating with a stable outlook on senior secured debt obligations. S&P affirmed its A rating with stable outlook for the power supplier.

"We are very pleased with the credit agencies' recognition of our ongoing efforts to focus on maintaining a competitive wholesale rate position," said Donna Snyder, Hoosier Energy Executive Vice President and Chief Financial Officer. "A-level credit ratings ensure access to the financing we need — the better the rating, the lower the cost of financing."

Both ratings services cited a financially healthy member profile, long-term wholesale power contracts, rate-setting flexibility and solid financial metrics as key factors in their ratings rationale.

Investment-grade credit ratings with major financial agencies help secure competitively priced capital for power production resources, transmission system improvements, environmental requirements and other projects to further Hoosier Energy's mission of providing a safe, reliable, competitively priced power supply.

Retailer to boost on-site renewables

By 2025 Wal-Mart wants to be 50 percent powered by renewable energy. But the retail behemoth wants to make a few things clear to the hundreds of electric cooperatives that serve it.

"What we do in on-site renewables is about contributing to our goals and reducing operating costs for the store," said Steve Chriss, Wal-Mart's director, energy and strategy analysis.

Unlike with residential members, when Wal-Mart installs a system, "Net metering compensation is not a driver for what we do."

He noted the generating capacity is generally smaller than the store's load. "We're typically sized so that we're not pushing power off," said Chriss. "Think of it more as a change in load as opposed to a competing generator."

What Wal-Mart does is of big interest to co-ops, considering that more than 250 serve the company's properties in 39 states. That's why Chriss came to Touchstone Energy® Cooperatives' NET 2017, to speak at a Jan. 30 session.

That 50 percent goal for 2025 involves "a combination of energy efficiency and renewable power to reduce emissions in our operations by 18 percent," said Chriss.

Already, Wal-Mart has renewables in 18 states, including more than 365 installed solar projects. It also has fuel cells and even a large wind turbine at a California distribution center.

SOURCE: NRECA

ENERGYLINES

ON THE COVER

TOP IMAGE: Debris from a tractor-trailer sized steel storage container was thrown across Hwy 165 near Otwell, Indiana. **BOTTOM LEFT:** The storm tossed

debris into a Hoosier Energy truck at the Poseyville crew station.

BOTTOM RIGHT: The storm nearly destroyed Hoosier Energy's Poseyville crew station.



SEND COMMENTS TO

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Snyder selected for Lugar Excellence in Public Series

Leadership program mentors women for public service

Donna Snyder, Executive Vice President and Chief Financial Officer for Hoosier Energy, has been selected as one of an elite group of 20 women who will be participating in the 2016-17 Richard G. Lugar Excellence in Public Service Series class.

"I'm honored to be among such an outstanding group of women in this prestigious program and look forward to learning how I can contribute to the public policy arena," said Snyder.

The Lugar Series was founded in 1990 as a political leadership development program to mentor outstanding Hoosier women for public service. Inspired by longtime Indiana Sen. Richard G. Lugar, the program has trained nearly 500 Indiana women and led to implementation of similar programs across the country with more than 2,000 graduates nationwide.

Indiana Secretary of State Connie Lawson formally introduced the participants at the opening event for this year's class on Oct. 27 in Indianapolis.

The other 2016-17 Lugar Series participants are: Brandi Anstine, Porter County; Julia Bartlow,



Snyder

Greene County; Kristina Box, Lauren Box, Melissa Cotterill, Heather James Smelko, Caitlin Larson, Krista Rivera and Peggy Rohrman, all from Marion County; Deborah Frye, Decatur County; Lori Luther, Delaware County; Elizabeth Murphy and Courtney Schaafsma, Hamilton County; Nancy Franke, Jackson County; Kelli Heuer, Madison County; Laura Wheeler, Pulaski County; Tara Lannan and Julie Roush, Tippecanoe County, and Shelley Klingerman, Vigo County.

Class members were selected from a competitive field of statewide candidates and represent diverse backgrounds and interests while sharing a commitment to public service in an appointed or elected capacity. II

Economic Development 2016 results

For almost three decades, Hoosier Energy and its members have helped communities served by electric cooperatives attract investment and bring job opportunities through economic development efforts.

In 2016, Hoosier Energy member systems reported 19 new and 28 expansion projects for the year that are expected to result in more than 1,200 jobs, \$311 million in capital investment and nearly 17 megawatts of load growth.

While these numbers show a decrease in jobs, investments and load year-over-year, they also show how different types of projects can affect growth. Harold Gutzwiller, Manager of Member and Key Accounts at Hoosier Energy, explains.

"Last year had more Commercial and Industrial (C&I) projects completed. While these were very successful projects, they have a smaller footprint related to investment and load growth," said Gutzwiller.

Commercial and healthcare projects normally don't require a large building footprint, expensive equipment to be installed and do not have large electric loads. This usually results in less investment and load.

"When you look at the 10-year rolling average of projects Hoosier Energy reported – investment and jobs have exceeded the average," said Gutzwiller.

Investment in 2016 was strongest in the automotive, food distribution and health-related sectors, according to Gutzwiller.

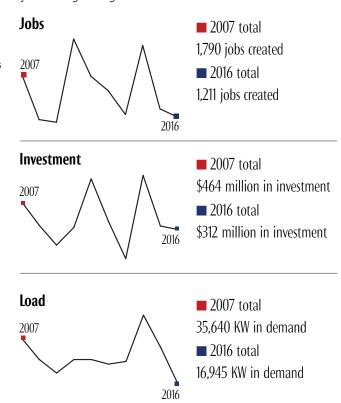
Nippon Steel, Japan's largest steel producer, will manufacture wire in a new facility served by RushShelby Energy. Supporting auto manufacturers in the Midwest, the \$50 million project will bring 3 megawatts of load and 70 jobs to the region.

Boars Head, a meat and cheese producer, broke ground in April on a new \$10 million distribution facility in New Castle served by Henry County REMC. The facility will bring 1.5 megawatts of load and 90 jobs to the region.

With 47 projects completed for the year, Gutzwiller says economic development success demonstrates the vitality of member system communities.

Economic development trends

The data below shows economic development trends during the past ten years. As jobs, investments and load numbers have fluxuated, investment and jobs have exceeded the tenyear rolling average.



"Last year had more Commercial and Industrial (C&I) projects completed. While these were very successful projects, they have a smaller footprint related to investment and load growth."

Harold Gutzwiller, Hoosier Energy Manager of Member and Key Accounts



HE photo

TORNADO TOLL: An EF3 tornado with 165 mph winds in Crossville, Illinois, tore down this transmission line. It took several days to repair the damage that happened in minutes.

CO-OPS WEATHER SEVERE DAMAGE

A arch came roaring in across much of Hoosier
Energy member systems' service territories. Severe storms and two tornadoes ripped through southern Indiana and southeastern Illinois late February 28 ushering in March with a trail of downed power lines, snapped poles, damaged substations and a string of power outages.

The damage came nearly five years to the day when a EF4 tornado hit Henryville, Indiana in 2012, leaving many people without power for weeks.

One lineman called this month's storm damage the worst he had seen in more than 20 years.

Hardest hit were Wayne-White Counties Electric Cooperative in Illinois, Dubois REC, Jackson County REMC, Clark County REMC, Harrison REMC and WIN Energy. The storms caused extensive damage to Hoosier Energy's system and interconnected lines, including wiping out half the Poseyville crew station. No employees were injured.

Through it all, cooperative crews worked through the night and the days following to restore power safely and as quickly as possible to thousands of consumers. Hoosier Energy sent three crews to Illinois to repair the 69kV system and assist Wayne-White linemen with clean-up >>

"Continual planning for emergencies, a coordinated effort, and dedicated employees kept the public and operations safe despite the widespread destruction."

Brady Mann, Hoosier Energy Manager of Delivery Services

and power restoration. Southern Indiana Power dispatched a crew to help out neighboring Dubois REC. Sorting through debris and rebuilding lines took days.

"We can't say enough about the cooperative teamwork during this devastating storm," said Brady Mann, Manager of Delivery Services for Hoosier Energy. "Continual planning for emergencies, a coordinated effort, and dedicated employees kept the public and operations safe despite the widespread destruction. Most member system load was restored within a day and the bulk of Hoosier Energy's transmission system was returned to normal in four days," he said.

Crews reported seeing buildings hurled across Hwy 165 near Poseyville, Indiana. A tractor-trailer sized steel storage container lay in shambles across the highway, its contents strewn everywhere. Overturned power transformers looked like discarded play toys. Live lines dangled from their broken structures.

Cooperatives' social media channels kept consumers informed on how to stay safe including repeated warnings to stay away from downed power lines.

"Using posts and pictures on Facebook really helped us keep our members informed throughout the storm. The response was amazing – so appreciative with people praising our crews and urging them to stay safe," said Nicole Ault, Communications Specialist for Jackson County REMC.



LINES DOWN: Transmission lines (161kV) had fallen near Otwell, Indiana, lying across a field. Hoosier Energy crews worked four days to restore the system safely. The public heeded repeated safety warnings distributed across social media channels to stay away from lines on or near the ground.





LEFT: Vectren's four broken transmission poles fell into Dubois REC's 7200 volt distribution lines after an EF2 tornado hit southwest of Ireland, Indiana.

RIGHT: Moses Scott and Mandy Weiss, from Crossville, Illinois, brought coffee, hot chocolate, sandwiches and pizza to the crews. They also fed them a chili lunch at the nearby firehouse.



Effective outage communication

Clark County REMC members faced outages due to the storms. The response from the co-op was timely and detailed while providing multiple ways to communicate with the co-op.



There are approximately 9,000 members without power. Four of our substations are offline because of trees that have damaged a transmission line feeding all of those substations. As soon as we can restore power to the substations, we will begin working individual line sections damaged by

If you haven't already done so, please call to report your outage 866-480-7362, or log into SmartHub to report your outage online.

If you have reported your outage, we will restore your power as soon as safely possible.

We have no specific ETA on when power will be restored, but will update both Facebook and our website as soon as we have more information.

Outage map: http://outages.theremc.com





Update: We have made tremendous progress, but still have a lot of work to be done. We are down to approximately 525 members without power. Unfortunately there is still no estimated time for restoration of power on any of our remaining outages. Thank you for your patience as our crews work long hours to safely restore power to those affected.

Outage Map: http://outages.theremc.com





Clark County REMC

March 3 at 1:06pm ⋅ 🚱

Update: We currently have 10 outages including 22 members. All members will be restored by this evening. We want to thank all of our members for your patience, kind words and support.

Like Comment

Lines affected, power outages from severe weather

Hoosier Energy

- 3 161kV structures near Otwell. Indiana.
- 3 69kV structures, one near Griffin, Indiana, one near Nabb, Indiana, and another near Peppertown, Indiana.
- 32 69kV structures near Crossville, Illinois.
- Duke Energy reported a 345kV transmission line from Gibson to Bedford out.

Wayne-White Counties Electric Cooperative area

■ More than 70 distribution poles snapped and 32 Hoosier Energy 69kV transmission pole structures were destroyed near Crossville, Illinois, from winds gusting up to 165 mph.

Dubois REC area

- Extensive damage occurred near the Ireland and Otwell areas with three Hoosier Energy 161kV H-frame transmission structures damaged.
- Outages: 350+

Jackson County REMC area

- Multiple 12kV distribution issues were reported on the Duke Energy system in Jackson's area.
- Outages: 6,300, with nearly all restored within 24 hours.

Clark County REMC area

• Outages: 9,000, with all power restored by 6:30 p.m. Friday (March 3); one Hoosier Energy structure damaged near Nabb. Indiana.

Harrison REMC area

■ Outages: 1,200, with nearly all restored within 24 hours.

WIN Energy area

■ Outages: 2,200. One Hoosier Energy 69kV structure was damaged near Griffin, Indiana.

Whitewater Valley REMC area

■ Outages reported due to a tree weakened by the storm. Damage to one Hoosier Energy 69kV structure near Peppertown, Indiana.



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