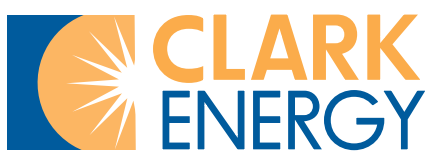


RELIABLE
RESILIENT
RESPONSIVE

ANNUAL 2020 REPORT



A Touchstone Energy® Cooperative 



RESILIENT

Resilience is an important concept for Clark Energy Cooperative, Inc. Though we are proud of and committed to a strong record of safe and reliable electric service for the 27,201 member-owners in 11 counties in east central Kentucky, how we deal with adversity is what defines us. The dedication of our co-op team to respond in all kinds of conditions and all hours of the day and night is a hallmark of this resilient spirit.

This past year has been difficult for our nation, our state and the communities we serve. The economic consequences of the pandemic and safety restrictions will be felt for a long time. From the beginning of this crisis, Clark Energy has worked with those who are struggling and connected our member-owners with resources to help.

Though no one predicted the pandemic, a commitment to safety and resilience means that Clark Energy Cooperative trains for any unforeseen circumstance. As a result, no electric service was compromised by the restrictions and illnesses that affected other aspects of our community. In coordination with our statewide association, Kentucky Electric Cooperatives, we have worked with state agencies and emergency management officials to ensure that co-op employees instrumental in maintaining the electrical grid are able to perform their duties despite health restrictions on public movement.

We know that the member-owners who own Clark are counting on us to do whatever it takes to power our communities, hospitals, businesses and farms. Our commitment to health and safety guides every decision we

make. Throughout the COVID-19 crisis, Clark Energy has focused on keeping member-owners and employees safe, while continuing to deliver reliable service.

- Closed lobbies
- Practiced social distancing
- Adhered to state guidelines
- Supported community COVID-19 efforts
- Canceled the Frankfort and Washington Youth Tours and annual meeting to accommodate safety restrictions

As part of this commitment to safety, Clark Energy President and CEO Chris Brewer has joined the leaders of all 24 electric distribution co-ops in Kentucky pledging to meet several key safety goals. This statewide commitment prioritizes the elimination of employee electrical contacts, and the reduction of all incidents and their severity.

Clark Energy Cooperative was built by, belongs to and is led by people in the communities we serve—an elected board of nine community leaders that provides guidance and oversight to ensure that the needs of the co-op membership are represented in all decisions. Board members have a fiduciary duty that requires them to attend monthly board meetings and participate in regular education and training on industry trends and developments. This locally owned and operated model is key to our resilience because the Clark Energy board makes decisions with local concerns in mind, not those of out-of-town shareholders.

Clark Energy is an owner of East Kentucky Power Cooperative (EKPC), a not-for-profit, member-owned cooperative that provides energy to 16 Kentucky electric co-ops. EKPC generates

■ Cover, top, Clark Energy President & CEO Chris Brewer meets with the 2019 KY Lineman Rodeo participants. From left to right: Chris Brewer, Apprentice Lineman Brent Bartley, Journeyman Cody Cox, Journeyman David Dennis, Journeyman Seth Mays, Journeyman Richard Steele, Serviceman Timmy Patton and Apprentice Lineman Toby Wells.

■ Opposite top, Journeyman David Dennis, left, and Journeyman Richard Steele, far right, discuss safety with Chris Brewer, President & CEO.

■ Opposite bottom, Operations Coordinator Kim Moore and System Operator Larry Hall review service orders for the day. Photos: Tim Webb



Clark Energy
was built by,
belongs to and is
led by people in the
communities
we serve





■ Above, Journeyman David Dennis gathers his gear after performing his daily equipment safety inspection.

■ Right, Manager of Member and Employee Relations Patty Young, far right, volunteers at the Special Olympics event which Clark Energy and Kentucky's Touchstone Energy Cooperatives proudly support.

energy at power plants fueled by coal, natural gas, solar and landfill methane, and delivers it over 2,800 miles of high-voltage transmission lines. This partnership helps Clark keep rates low, attract business, create jobs and advocate for our local communities.

As a member of Kentucky Electric Cooperatives, Clark Energy pools resources with all electric co-ops in Kentucky to efficiently and effectively serve you.

Membership in this statewide association helps us effectively communicate with you in *Kentucky Living* magazine, speak up for co-op interests in Frankfort and Washington, and coordinate critical safety training and mutual aid response during major outages and disasters.

The resilience of Clark and the members who own the co-op go

hand in hand. Our investments in our members and our communities include scholarships, sponsoring high school seniors on the annual co-op Washington Youth Tour and supporting local arts and athletics. Co-op employees and board members are active and reliable members of the community, volunteering and committed to improving the quality of life here.

The dictionary definition of resilient matches the culture of Clark Energy Cooperative, "able to recoil or spring back into shape after bending, stretching or being compressed."

Like all of Kentucky and America, our communities have been through a lot over the last year. But the resilient spirit we share has allowed us to persevere and look forward to brighter days ahead, powered by Clark Energy Cooperative.





■ Clark Energy Board of Directors, from front left, Gale Means; James Wells; Dewey Hollon; Walter Ballard Jr.; and Allen Patrick; from back left, Vice Chairman Steve Hale; Bobby Russell; Attorney John Pumphrey; Clark Energy President and CEO Chris Brewer; Chairman William P. Shearer; and Secretary-Treasurer O.H. Caudill Jr. Photo: Tim Webb

Out of an abundance of caution for the health and safety of our members and employees and while following CDC guidelines of social distancing and gatherings for large crowds, members can watch a live stream of the business meeting via Clark Energy's Facebook page and www.clarkenergy.com

ANNUAL MEETING OF MEMBERS OF CLARK ENERGY COOPERATIVE, INC.

When: Friday, June 18, 2021

Drive-thru Registration: 11 a.m.–2 p.m. at each local office*

Virtual Business Meeting: 2:30 p.m.

The annual membership meeting of Clark Energy organizes to take action on the following matters:

1. Call to Order
2. Invocation
3. Establish Chairman for Meeting
4. Welcome
5. Recognition of Board of Directors
6. Reading of the Notice of Meeting and Proof of Mailing
7. Approval of Minutes of Membership Meeting held June 21, 2019
8. Announcement of Board of Directors Election Results
9. Comments and Reports from Clark Energy Cooperative's President and CEO
10. Unfinished Business
11. New Business
12. Adjournment

* **Registration will be held at each of the three Clark Energy offices:**

28 Bible Camp Lane, Frenchburg
170 Halls Lane, Stanton
2640 Iron Works Road, Winchester

From 11 a.m.–2 p.m., you may register and pick up your bucket and bulbs. Please follow the signs and stay in your vehicle at all times.

In order to register, you must:

- Hold an active membership in Clark Energy Cooperative.
- Register only once, even though you may hold multiple accounts.
- Be the person whose name appears on the membership application.



AGENDA

2020

CLARK ENERGY

ACTIVE ACCOUNTS

As of December 31, 2020

Bath	1,487
Bourbon.....	1,102
Clark	4,325
Estill	77
Fayette	109
Madison.....	3,244
Menifee	4,176
Montgomery	5,391
Morgan.....	28
Powell.....	6,976
Rowan.....	286
TOTAL	27,201

ACCOUNTS BILLED

2020	27,201
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AVERAGE KWH USAGE

(residential per month)

2010.....	1,190
2020.....	1,075

MILES OF LINE

2010.....	3,036
2020.....	2,954

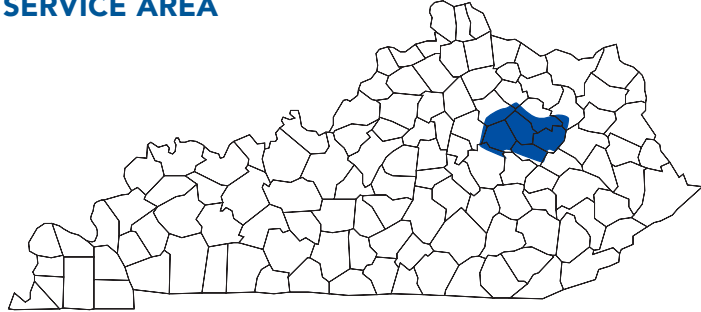
CONSUMERS PER MILE

2010.....	8.6
2020.....	9.2

FOR INFORMATION AND INQUIRIES

2640 Iron Works Road
 Winchester, KY 40391
 (859) 744-4251
 www.clarkenergy.com

SERVICE AREA



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, computers, dishwashers, small appliances and other electrical equipment (noted as "other uses" below) accounts for nearly 40% of electricity consumption in American homes.



4.2%

TVs & related equipment



5.2%

lighting



7.4%

refrigerators & freezers



12.1%

water heating



15.8%

space cooling



16.3%

space heating



39%

all other uses

Source: EIA, Annual Energy Outlook 2020

¹Includes consumption for heat and operating furnace fans and boiler pumps. ²Includes miscellaneous appliances, clothes washers and dryers, computers and related equipment, stoves, dishwashers, heating elements, and motors.

COOPERATIVE YEAR IN REVIEW

STATEMENT OF OPERATIONS

As of December 31, 2020

Operating Revenue and Patronage Capital.....\$45,400,748

OPERATING EXPENSE

Purchased Power\$28,617,420
 Operating the Electric System.....8,653,249
 Depreciation5,527,779
 Interest on Loans1,720,785
 Other169,090
 Total Cost of Electric Service\$44,688,323
 Patronage Capital and Operating Margins\$712,425
 Non-Operating Margins70,789
 Capital Credits—Associated Organizations64,739
 G & T Capital Credits1,744,489
 Income from Investments450,191
Patronage Capital and Margins\$3,042,633

BALANCE SHEET

As of December 31, 2020

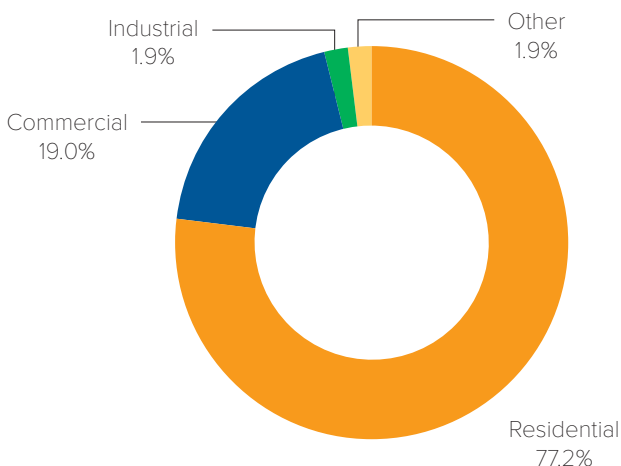
ASSETS

Total Utility Plant.....\$140,695,750
 Less Depreciation46,673,850
 Net Utility Plant and Book Value\$94,021,900
 Other Property and Investments\$31,392,686
 Cash and Reserves358,550
 Economic and Development Projects1,703,696
 Investment in Subsidiary.....2,954,541
 Owed to Co-op on Accounts and Notes2,362,963
 Material in Inventory.....599,763
 Expenses Paid in Advance.....141,879
 Deferred Debits and Other Assets2,268,476
Total Assets \$135,804,454

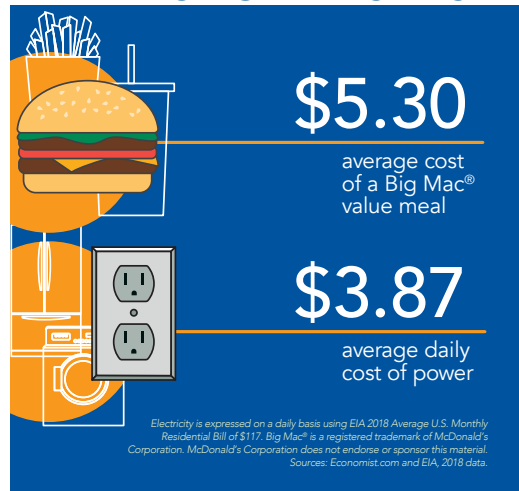
LIABILITIES

Margins and Equities.....64,258,245
 Consumer Deposits.....1,012,485
 Long-Term Debt.....60,924,696
 Rural Economic Development Loans1,722,214
 Note and Accounts Payable2,555,240
 Other Current and Accrued Liabilities.....5,331,574
Total Liabilities.....\$135,804,454

REVENUE SOURCES



THE VALUE OF ELECTRICITY



2021

CLARK ENERGY COOPERATIVE ANNUAL MEETING

FRIDAY, JUNE 18, 2021

Drive-thru registration: 11 a.m.–2 p.m. at each office*

Virtual Business Meeting: 2:30 p.m. Live streamed on Clark Energy's Facebook page and on ClarkEnergy.com

Out of an abundance of caution for the health and safety of our members and employees and while following Centers for Disease Control and Prevention guidelines of social distancing and gatherings of large crowds, members can watch a live stream of the business meeting via Clark Energy's Facebook, @ClarkEnergyCoop, and www.clarkenergy.com.

***Registration will be held at each of these three**

Clark Energy offices:

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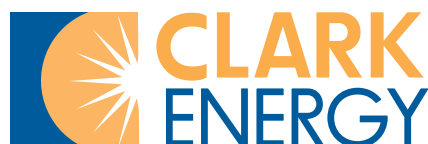
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