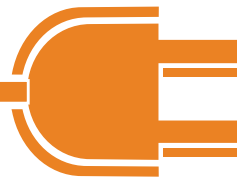


Clark Energy Lines

A publication of Clark Energy Cooperative, Inc., proudly serving our members since 1938.



Ice Storm Devastates Clark System



When ice-laden limbs are cracking and falling to the ground all around, the linemen in the field face danger every moment. Though there were bumps, bruises, pulled muscles, and a severely damaged vehicle, no one was seriously injured. See full story inside.

What's Inside



April 2009

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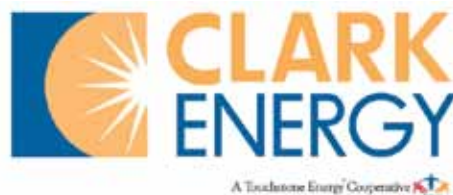
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Editor: Lois Hatton



www.clarkenergy.com

Cooperation reigns during restoration

By Shanda Crosby

The numbers themselves are astounding: 15,000 calls in two days, 15,000 members in 11 counties without electricity, miles of line out of service, 825 spans of wire down, 143 workers putting in long days.

As electric systems across Kentucky continue to clean up from the historic ice storm of 2009, Clark Energy Cooperative has some amazing numbers of its own.

The storm relentlessly rained its wrath across the state in late January, causing unprecedented outage situations, contributing to 30 deaths, and leaving 770,000 Kentucky homes and businesses without electricity, some for several weeks.

At Clark Energy, 13 days was the longest stretch members went without service, as crews worked nearly around the clock for two consecutive weeks, sometimes spending long hours to restore a single home.

"The ice storm of '09 was the most widespread outage, affected the most members, and will be the highest-cost storm in Clark's history," said Paul Embs, Clark Energy's president and CEO.

Added Scott Sidwell, Clark's vice president of engineering and operations, "As storms go, this was the worst one I have ever seen in my 36 years of service."

Mother Nature can be the fiercest of enemies, and when she rears her ugly head, a team of people at Clark Energy

Cooperative band together to make sure her effects are as minimal as possible.

Behind the scenes of the most sweeping outage situation in Clark Energy history, cooperation reigned supreme as employees from all areas did their part.

Linemen worked long hours in dangerous conditions, rebuilding lines and resetting poles. Office employees came in at 3 a.m. every morning to cook breakfast for the employees, contractors, and workers from other co-ops who came in to help.

The logistics of handling an outage of this magnitude are staggering. Holly Eades, a Clark Energy employee for 27 years, is vice president of finance. Her responsibilities during the storm were as massive as they were diverse, all of them dealing with aspects of the storm that most do not consider.

"Every morning, dispatch would prepare a daily work schedule so we would have information to pass along to our customers," said Eades, who spent her days after the storm answering e-mails from customers and talking with those who stopped by the office, attempting to help them estimate restoration.

"I think the most challenging aspect of

a storm of this magnitude is trying to communicate the steps of restoration to our customers," said Eades. "We could have two or three people who may spend four hours to restore service to two houses; when you have thousands of homes off, it takes time to get to everyone."

Though the co-op's state-of-the-art outage management system and automated reporting system have helped the process, Embs said managing the information proves difficult. "We

(cont'd. on page 4A)



Vice President of Engineering and Operations Scott Sidwell called the 2009 ice storm "the worst one I have ever seen in my 36 years of service." Crews came from as far away as Georgia and Tennessee, along with other contractors and co-op crews from around Kentucky. Most Clark members were back on in 11 days, but in a few hard-hit areas, some were off for as long as 13 days.

From the President's Desk

Out of sight, out of mind?

After widespread outages like we experienced in late January, Clark Energy members always ask, "Why don't you bury the power lines?"

Although it appears to be the most reasonable solution to solve the problem of downed lines after severe weather events, it isn't. While underground power lines are more attractive, the costs are prohibitive and can be up to 10 times greater to bury a power line than construct overhead.

Other problems that can be incurred are:

- Visual inspection of underground lines is impossible.
- Repairing underground lines is usually more complex and costly than repairing overhead lines.
- Overhead lines may have more frequent outages, but underground outages last longer.
- Overhead lines are virtually unaffected by localized flooding, whereas underground transformers can be taken out of service by only a few inches of floodwater.

In newly constructed subdivisions, most electrical systems are designed to be placed underground, which is much easier than retrofitting existing systems. Developers have already dug the trenches, cut through the rock, installed conduit, and completed the landscaping before the home is purchased. Although the homebuyer may not see any additional costs for the underground utilities, the developer has already added it to the cost of the home.

We do encourage our members who would like to have the service drop to their residence placed underground to call our office at (859) 744-4251 and talk with our engineering department.

As a not-for-profit cooperative, Clark Energy strives to provide you with power at the lowest price we can. The additional costs of burying power lines would not be in the best interest of the members or the cooperative. We do continue to look for ways to better serve you, our owner, at all times—including power outages.



Paul G. Embs
President & CEO

Contact Us

CLARK EC OFFICE LOCATIONS

2640 Iron Works Road,
Winchester 40391
28 Bible Camp Lane,
Frenchburg 40322
170 Halls Lane,
Stanton 40380

OFFICE HOURS
8 a.m. - 4:30 p.m.,
Monday - Friday

OFFICE PHONE NUMBERS
Winchester - (859) 744-4251
Frenchburg - (606) 768-2383
Stanton - (606) 663-4330
Toll Free - (800) 992-3269
Emergency - (800) 992-3269
Fax - (859) 744-4218

Website:
www.clarkenergy.com

YOUR BOARD OF DIRECTORS

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Gale Means - *Powell*

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Montgomery, Bath*

Bobby Russell - *Madison*

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posted information to the PSC Web site daily and also provided information on our Web site," he said. "We did live updates on local radio stations and sent press releases to local newspapers and television stations daily. We also spoke several times each day with FEMA officials and officials of county governments."

The number of calls coming into the automated reporting system in the first two days was tremendous. "We know people would like to talk to a live person and find out just when their power will be restored," Embs said. "We did have people assigned to listen to messages and we did attempt to call back as many people as we could who requested a call back." Cooperative employees monitored and checked messages on the automated phone system around the clock until all power was restored to the members.

Though dealing with member inquiries is always a huge priority in times of outage, taking care of the line workers' needs for this storm required an especially elaborate system of teamwork. "The office staff becomes support staff for those in the field," explained Embs.

The office staff purchased and delivered materials, arranged accommodations for workers in Winchester and Mt. Sterling hotels, provided laundry service to the out-of-state workers, and bagged lunches for every crew member. Lunches were delivered to the co-op's Frenchburg and Stanton locations.

In the dispatch center,

employees were maintaining regular contact with crews around the system to note their location and ensure their safety.

"The cooperation of Clark Energy's staff is amazing," Eades said. "Every employee of Clark Energy literally lives an outage of this magnitude for weeks. Clark Energy's outside employees spent anywhere from 16 to 18 hours a day, 13 days in a row working to restore service. The ice storm put their personal lives on hold and they never complained; they all want everyone's service back on as quickly as possible."

When such a storm moves in and the outages begin, Sidwell implements the cooperative's Emergency Response Plan, which was updated significantly after the 2003 ice storm. The plan addresses all aspects of service restoration in an emergency situation while prioritizing employee and member safety.

This particular storm presented unique challenges. After the southern counties in Clark's service area sustained a lengthy period of freezing rain, the storm moved across the rest of the system, causing widespread outages. The bitterly cold tem-



When such a widespread outage occurs, every Clark Energy employee has a job to do, from the office workers preparing meals, maintaining paperwork, dispatching workers to various locations, and communicating with members, to the crews in the field working 16- to 18-hour days to restore power to every member.

peratures and blizzard-like snow that followed further complicated the restoration. "Deliveries were delayed and we had problems with some of the vehicles from southern states because the fuel was not conditioned to the cold," Embs said.

After the brutal cold lifted, the muddy fields hampered the crews' efforts to reach the downed lines with their trucks.

"The freezing rain is always a terrible thing to work in," Sidwell

(cont'd. from page 4A)

said. "Even with a rain suit on, the guys are wet on the inside as well as the outside. Then came the severe cold, wind, and blowing snow that chilled the workers to the bone. It's hard to stay focused when you're miserable, but they never complained, at least not to anyone other than the people they were working with."

If the ice wasn't enough, the high winds that swept in later started the process all over again. "The wind storm came blowing through after the line personnel had worked almost two weeks with very little rest," Sidwell said. "Using the long, insulated sticks to fuse the lines or operate equipment turned into a wrestling match under conditions such as these."

Thankfully, the co-op had

help. Crews came in from Georgia and Tennessee, as well as co-op crews from areas in Kentucky that were not affected. Assistance from federal, state, and local governments, along with area farmers, Sidwell said, was "much appreciated."

"The National Guard and U.S. Forestry workers helped state and county road crews to open state and county roads to our vehicles, and county bulldozers pulled our trucks around the fields to change out poles," Sidwell said. "Area farmers utilized their tractors to pull our trucks around as well and were instrumental in getting lines back up more quickly."

Most of the crews were released to the harder-hit western Kentucky areas after the storm passed, but four crews

remained to assist with cleanup. "At the peak of the storm, Clark Energy's work force tripled in size and numerous pieces of specialized equipment and trucks were used," Sidwell said. "For most, the work day started at 6:30 a.m. and lasted until 10:30 p.m."

The majority kept up this rigorous schedule for 17 consecutive days before moving to 12-hour days for another week, totaling 24 days without time off.

"When a lineman, contractor, dispatch, or support personnel begins working a storm, they leave their family to fend for themselves," Sidwell said. "From the time the storm work starts, no one goes home to do anything other than get some rest and come back to the co-op to work. This must weigh heavily on their minds but they know that to keep themselves and their co-workers safe they must focus on the task at hand. After the first few days, fatigue starts to set in, and it's even more of a struggle to stay in the right frame of mind, but the one thing that amazes me most is how they rarely grumble about how tired or hungry they are."

In such conditions, safety is a primary concern. "Keeping our employees safe and ensuring the safety of our members is a huge challenge," Embs said. A co-op truck was severely damaged when it overturned on a hill, shaking up the driver.

"We did not have anyone seriously injured," Embs said. "We had employees pull muscles, a tree limb fell on a leg, one

(cont'd. on page 6A)



After the brutal cold lifted, the muddy fields hampered the crews' efforts to reach the downed lines with their trucks. Floyd Arnold, Montgomery County Judge Executive, allowed the use of a county bulldozer to help speed the restoration effort.

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employee injured his shoulder, and one lineman was dealing with frostbite to his fingers. Overall, our crews did work safely.”

The regular monthly meeting of Clark’s board of directors was under way on Tuesday, Jan. 27, when the ice began. “Scott (Sidwell) was coming into the meeting and giving updates as the ice continued to accumulate and more outages occurred,”

Embs said. “By Tuesday evening, we knew that damage was going to be extensive.”

Embs said the low number of poles lost in the storm (only 69 of 55,000) was an indication the system has been well maintained. Clark spent the month of March patrolling its more than 3,000 miles of line to detect and correct any problems.

As the fallout from the storm subsided and operations returned to normal, Eades con-

tinued to complete the paperwork required by the Federal Emergency Management Association, who declared the area a disaster and will reimburse all related expenses.

“FEMA requires documentation for every dime that was spent for damages from the ice storm,” Eades said. “By the time all the documentation is prepared, it will have to be carried out in a box.”

Important outage notes for members...

- *In the event of major outages or heavy telephone traffic, you may be reporting your outage to an automated system. It is not humanly possible to answer a tremendous call volume.*
- *You must call from the phone number listed on your account or you will have to leave the number you are calling from.*
- *Make sure you check for any damage to the electrical structure outside your home. If there is damage, turn off your main breaker until repairs can be made. Failing to do this could cause further problems when power is restored.*
- *When electric has been off for several days, it is necessary to bring the items using electric in your home back on slowly so that transformers don't become overloaded and burn up, resulting in longer outages.*

Levelized Billing

as simple as 1-2-3

No matter what the weather is outside, your electric bill won't be a surprise if you sign up for levelized billing.

With levelized billing, your monthly electric bill is a rolling average of your electric use from the most recent 12 months. Your bill will fluctuate slightly within a range of a few dollars each month, but you won't experience any drastic highs or lows. You will never have to pay extra at year's end.

To switch to levelized billing, you must have received service at the same location for at least 12 months, and your account must be paid up to date. Your bill will show the number of kilowatt-hours you use each month, but you'll pay only for the rolling average. Call our office today at (859) 744-4251 or (800) 992-3269 to enroll in levelized billing.



Clark Energy Cooperative Corporation

Official Notice of Annual Meeting of Members

When: Tuesday, May 12, 2009
Where: Co-op Grounds
2640 Iron Works Road (Hwy. 15), Winchester

Registration: 5 p.m.
Health Fair: 5 p.m.
Exhibits: 5 p.m.
Pre-meeting Activities: 5:15 p.m.
Business Meeting: 6:30 p.m.

- Call to Order
- Invocation
- Establish Chairman for Meeting
- Welcome
- Recognition of Board of Directors
- Determine Quorum Present
- Reading of the Notice of Meeting and Proof of Mailing
- Approval of Minutes of Membership Meeting held May 13, 2008
- Announcement of Board of Directors Election Results
- Comments and Reports from Clark Energy Cooperative's President and CEO
- Unfinished Business
- New Business
- Adjournment

As a member-owner of Clark Energy Cooperative, you are urged to attend your annual membership meeting. Registration begins at 5 p.m. When you arrive, please stop by our registration area to verify your membership and register for prizes that will be given away during the meeting. You must be present to win.

In order to be eligible to participate in the business meeting and register for prizes, you must:

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

If you are disabled and need special accommodations to fully enjoy this program, please call the Clark EC Headquarters offices at (800) 992-3269.

We look forward to seeing you at the annual meeting. Mark your calendars now!

Clark Energy Services Corporation

Income Statement

For the period January 1, 2008 - December 31, 2008

ORDINARY INCOME/EXPENSE

Expense

Licenses and Permits.....	\$15.00
Professional Fees.....	<u>850.00</u>

Total Expense 865.00

Net Ordinary Income \$ (865.00)

OTHER INCOME/EXPENSE

Other Income

Interest Income	\$ 165.45
Profit & Loss – CE Propane Plus	<u>153,874.77</u>

Total Other Income 154,040.22

Net Other Income 154,040.22

NET INCOME **\$153,175.22**

Safety tips when using a chain saw

In January, the worst power outage in Kentucky history knocked down trees and limbs across much of the Commonwealth. One of the most hazardous tasks a homeowner can undertake is to use a chain saw.

If you need to clear trees or limbs from your property this spring, the safest course of action is to hire a professional. For those who insist on attempting this work themselves, here are important safety rules to follow that could save your life:

- Carefully inspect trees or limbs before cutting. Determine the cutting angles that will not pinch the chain saw, pull the equipment out of your hands, or dangerously release the tree.
- Wear sturdy clothing to protect your lower body and legs. Professionals must wear chaps or similar clothing. Most injuries from chain saws are to the lower body, particularly the left leg.
- Wear eye and hearing protection, work boots, and a hard hat.
- Work slowly and carefully. Never get in a rush. Your life is worth much more than saving a few minutes of time.
- Always operate the chain saw from a position of strength and balance. Avoid extending the saw above the shoulders or lifting it above the head.
- Keep both hands on the equipment at all times.
- Make sure the chain brake is functioning and engaged prior to moving more than two steps with a running saw.

A professional will always be tied in or secured before working off a ladder. It's easy for a cut limb to strike a ladder and knock the operator off. That's why calling a pro is usually the best decision you can make.