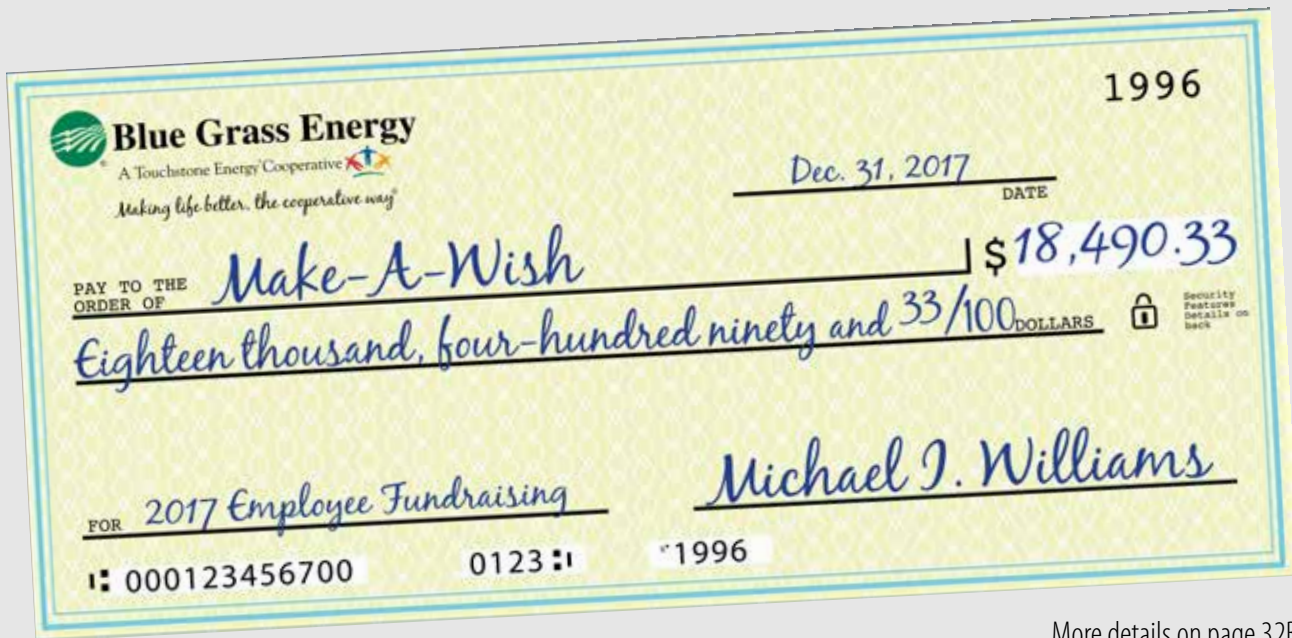


Making wishes come true, the cooperative way



More details on page 32B.

Our offices will be closed Friday, March 30, for Good Friday.

Message from the President

Our cooperative business model provides member benefits

At Blue Grass Energy, if you receive electricity from us, you are not customers, you are members of our cooperative. And as a member, you enjoy certain values that customers do not have with other electric providers.

Values such as receiving your power at our cost. Our rates are based on two main components—actual cost of generating your power and the cost for us to get that power to you. At every level, we work diligently to keep rates as low as possible.

The second component—the cost for us to get your power to you—is made up of operational costs which include the cost for poles, lines, and other necessary equipment to provide your power. The rate members pay also covers improvements made to the power grid to help ensure the power you receive is reliable.

One of the biggest advantages of being served by your cooperative is that we work only for you. We do not have stockholders expecting a dividend. We are not-for-profit, which means we are working only to provide you with safe, reliable and affordable energy services. Should we collect an amount in excess of those required to operate Blue Grass Energy, those funds are returned to each member as capital credits.

So, when figuring our overall rates, members should consider capital credits in the quotient. Returning capital credits to



Michael I. Williams
President & CEO

Continued on 32D

BGEnergy is making wishes come true for our youngest members

This past year, you have read about some of the incredible things our 2017 charity, Make-A-Wish, has done and our efforts to support them. Working with our members in employee-led efforts like candy bar sales, blue jean days, chili cookoffs, silent auctions and penny wars, we raised an amazing \$18,490.33, directly benefiting Make-A-Wish.

This money will make life better for children with life-threatening illnesses. And that is a perfect example of putting our purpose of making life better, the cooperative way into action. We couldn't have done it without our members, and we are excited to work together again in support of the American Cancer Society in 2018.

Thank you for helping us be difference makers in our communities.



From BGEnergy's Bylaws

Members will elect one director from Districts 1, 3, and 7. Each director serves a four-year term. The following, from Article IV, Section 5, of Blue Grass Energy's bylaws, outlines the nomination process.

Article IV, Section 5—Nominations. It shall be the duty of the Board of Directors to appoint, not less than fifty (50) days and not more than one hundred, twenty (120) days before the date of a meeting the members at which a report of the election of directors is to be made a committee on nominations consisting of not less than

five (5) nor more than ten (10) members who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least forty-five (45) days before the meeting, a list of nominations for Board of Directors.

One-half percent (1/2%) or more of the total number of consumers shown on the

Financial and Statistical Report of RUS Form 7 as of December 31 of the calendar year preceding the election may make other nominations in writing over their original dated signatures, signed within 120 days prior to the annual meeting, together with printed names, telephone numbers, and addresses by filing such nominations not more than ninety (90) days and not less than fifty (50) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee

Be prepared for spring storms

BGEnergy Safety Coordinator Matt Thomas has some information and tips for us to be prepared for the upcoming spring storms.

Lightning from thunderstorms kills more people each year than tornadoes or hurricanes, according to the American Red Cross. As spring arrives, make sure you're prepared to handle storms that come with the changing season. Follow these tips to stay safe.

Stay away from down power lines. Electricity could still be flowing through them. Call 911 immediately.

Hear thunder? Head inside. If you can hear it, you could be in danger from lightning. Stay indoors at least 30 minutes after the last clap of thunder—a recommendation from the National Weather Service. If you're outside and can't seek shelter indoors, avoid high ground, water, tall isolated trees, and metal objects like bleachers or fences.

Unplug your electronics. Avoid using electrical items and telephones, which can carry power surges.

Delay outdoor activities. If conditions are right for a thunderstorm, postpone the baseball game and stay inside—it doesn't have to be raining for lightning to strike.

Assemble an emergency preparedness kit with:

- Water—one gallon per person, per day
- Non-perishable food
- Flashlight
- Battery-powered or hand-crank radio and extra batteries
- First-aid kit
- Seven-day medicine supply
- Copies of personal documents
- Cell phone with chargers
- Emergency contact information
- Cash

Matt Thomas
Safety Coordinator



is posted, if, after examination of the Provost, it is determined by said Provost that said petitions meet the requirements of the Bylaws, Articles of Consolidation, and the laws of the Commonwealth of Kentucky. In no event shall a member sign more than one petition for the nomination of a director from a district. All nominating petitions shall be submitted on the form of "Nomination Petition" provided by the cooperative. All nominees shall certify their qualifications by signing a "Certification of Candidate for Director" and completing the "Application for

Candidate for Director" form provided by cooperative and file same with the cooperative not less than 50 days before the date of the meeting of the members.

The date of the first working day not less than forty-five (45) days prior to the Annual Meeting shall be established as the certificate date which determines whether a member is in good standing and qualified for the purpose of signing a nominating petition and/or voting.

A member in good standing is any active member who is in compliance with

the Bylaws, Rules and Regulations of the Cooperative, and Rules and Regulations of the Public Service Commission as of forty-five (45) days prior to the Annual Membership Meeting. The Secretary shall deliver a list of members in good standing on the certification date to the Provost.

Any member, whose service is disconnected for any reason, will automatically become a nonvoting member until said member is reconnected and receiving electrical current.

How to reach us

24-Hour Service: (888) 546-4243

Automated payment: (877) 934-9491

Report an outage: (888) 655-4243

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2099 Berea Road
Richmond, KY 40476-0276

Board of Directors

Dennis Moneyhon, Foster
Chairman

Gary Keller, Harrodsburg
Vice Chairman

Jane Smith, Waddy
Secretary-Treasurer

Doug Fritz, Paint Lick

Jody Hughes, Lawrenceburg

Brad Marshall, Cynthiana

Paul Tucker, Sadieville

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as a service to our members.

Rachel Settles, Editor



This institution is an equal opportunity provider and employer.

President's message (continued)

members is a practice unique to the cooperative business model and represents one of our seven cooperative principles—members' economic participation.

So the next time you think about your cooperative, remember your membership has many benefits. One is receiving your power at our cost. Another is we remain local so we can better serve you. Increasing the value of your cooperative membership is just one of the many ways we are making life better, the cooperative way.

ATTENTION HIGH SCHOOL JUNIORS AND SENIORS

Apply now for the Washington Youth Tour and Scholarships.

Applications are available under the Community tab at bgenergy.com.

DEADLINE for both is March 9, 2018.

Each year, Blue Grass Energy chooses a charity to work with for the year. We partner with a local nonprofit organization that benefits the communities in which we live and serve. Our fundraising efforts for the entire year go to that cause. This year, we are partnering with the American Cancer Society.



Helping to reduce your risk for cancer and getting regular cancer screening tests to find cancer early can give you the best chances for staying well and living a long life.

Take control of your health and help reduce your cancer risk by making healthy lifestyle choices:

- Stay away from tobacco.
- Stay at a healthy weight.
- Get moving with regular physical activity.
- Eat healthy with plenty of fruits and vegetables.
- Protect your skin from the sun.
- Know yourself, your family history, and your risks.
- Have regular check-ups and cancer screening tests.

Visit cancer.org or call 1-800-227-2345 to learn more about reducing your risk of cancer.