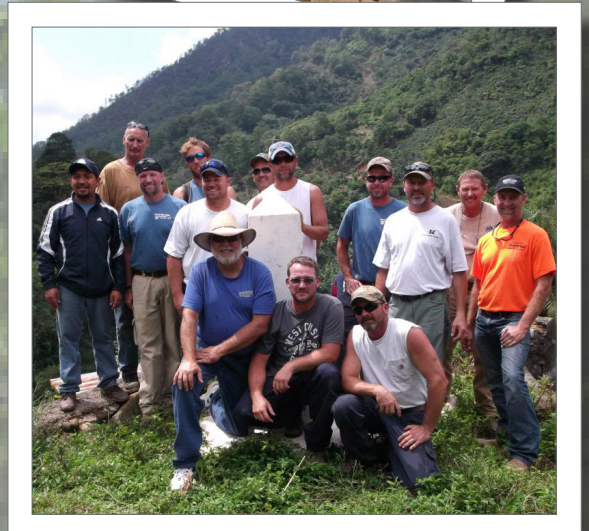




Tipmont REMC  
ANNUAL REPORT  
for the year 2012





## On the Cover

In September of 2012, three Tipmont REMC linemen joined other electric cooperative employees from across Indiana for the trip of a lifetime. Matt Lowe, Jeff Morrison, and Bob Palmer traveled with the Indiana delegation for an international initiative to bring electricity to developing areas of Guatemala.

The project, called Hoosiers Power the World, was coordinated by the Indiana Statewide Association of Rural Electric Cooperatives, Inc., (ISA) in partnership with NRECA International Foundation, an affiliate of the National Rural Electric Cooperative Association based in Arlington, Virginia.

Two crews of cooperative linemen and engineers from Indiana each spent two weeks in August and September working alongside Guatemalan municipal employees in Hoja Blanco in the department of Huehuetenango—or Huehue (way-way). The villages are located in the northwestern highlands and often referred to as the “Frontier Zone.”

The local PBS affiliate, WFYI Channel 20, produced a documentary on the history of electric cooperatives, how Hoosiers led the rural electrification movement in the 1930s, and how they led the global movement to electrify remote areas of Guatemala in 2012. The documentary was produced by seven-time Emmy® winner and former WRTV 6 news anchor, Diane Willis, and was shown across Indiana and in many other U.S. cities in 2013.



The documentary entitled *Power to the People* can be viewed online at WFYI.org at <http://video.wfyi.org/video/2365002734/>.



## Past, Present, and Future

Highlights in 2012 included the implementation of a new rate structure. This new structure moved the fixed cost associated with the distribution infrastructure to a fixed service charge in line with the actual amount of those costs for each class of service. This change was the first step in preparing us to offer our members tools and programs to lower usage and bills going forward without jeopardizing the financial position of the cooperative.

We held a series of four member meetings throughout the service area to introduce the new rates and answer questions from our members. Tools were developed to give members the ability to see how their bill would change based on the new rate structure.

Large commercial accounts were able to take advantage of newly developed Time-of-Use rates that allow them to shift usage to lower their bill.

In 2012 we began the implementation of the meter data management system and “Smart Hub”. These tools offer members hourly data about their usage patterns.

A new integrated voice response system for member payments was installed in 2012 which allows members to make payments by credit or check in a secure environment.

We continued to focus on improving the distribution system in 2012. The Mountain Road substation which serves members in northwest Montgomery county and east Fountain County was completed in November 2012.

Upgrades to existing facilities continue to contribute to our improved system reliability. We continued to develop the new technologies implemented to help us identify areas of our system where we can improve reliability. These tools include the GIS mapping system, the

Outage Management System (OMS) and Automated Metering system which all offer important data to help us be proactive in identifying system problems before they happen.

In 2013 we will begin offering Time-of-Use rates to our residential members. This will allow members to shift usage to “off peak” time periods when the kWh charge is lower. Tools are being developed to allow you to see the impact you can have on your bill by changing when you use your appliances.

A new application called “Smart Hub” offers members the ability to view their account, make service requests and view and compare hourly usage history. This application is available on your computer or smart phone.

We will continue working on the distribution system to increase reliability and replace aging conductor. A new substation will be built in the northwest area of Tippecanoe County. All of these improvements are part of a four year work plan and a long range plan to address growth and reliability on the Tipmont system.

We will continue to increase our communication with the membership through use of social media and our website. The introduction of web chat will offer one more way for members to contact us.

A goal for 2013 is to provide members more information about outage restoration times. While we hope that you never experience a power outage, we know that finding out when your service will be restored is important information.

Tipmont will continue to support our mission of “Doing the right thing for our members” as we move into 2013. As always, your cooperative staff looks forward to working with you, our members, in the upcoming year!

# Minutes

The 72th annual member meeting of Tipmont Rural Electric Membership Corporation was held at Lafayette Jefferson High School, 1801 South 18th Street, Lafayette, Indiana, on Saturday, July 28, 2012, at 9:30 a.m. Registration began at 8:00 a.m.

Prior to and during the registration period, members were encouraged to visit various Tipmont REMC displays and information centers. Drawings were conducted during registration for five electric credits in the amount of \$50.00 and five in the amount of \$100.00. Prairie Power presented the Energy Efficiency Wall.

Each registered member received an ink pen, a portfolio folder, a screwdriver, 101 Easy Ways to Save Energy and Money booklet, an information sheet listing the candidates and the agenda of events, a comment sheet, two question cards, two voting ballots, and the annual report which included the 2011 annual meeting minutes. The annual meeting registration card was mailed prior to the meeting.

Director Kirk Alter announced the registration drawings. CEO Tim McCarthy requested the membership complete the questions cards.

President Brent Bible thanked Lafayette Jefferson High School for the rental of the facility and Prairie Power for their presentation of the Energy Efficiency Wall. Bible introduced each board member and their district. He also recognized past directors who were in the audience. At 9:33 a.m., Bible announced that we had a quorum and called the meeting to order.

Bible introduced Tipmont REMC Manager of Technology and Communications, Corey Willis, who gave the invocation. He then introduced Meagan Baker who sang the National Anthem.

Secretary-Treasurer Jerry Peevler read the official notice of the meeting and led the Pledge of Allegiance. He then asked those members present to refer to the minutes of the 2011 meeting, which were given to them at the time of registration. Peevler asked for a motion to

accept the minutes as recorded. A motion was made by member Gary Isenberg and a second was made by Gary Claypool. The motion carried and the minutes from the 2011 meeting were approved as presented.

Peevler then introduced special guest and Attorney Jeff Helmerick.

Helmerick introduced director candidates Richard Harlow, Jr., Kenneth Smith, and Steve Kaiser for district 2; Larry Carlson for district 5; and Robert Baker for district 8. Each candidate was given the opportunity to speak. All candidates addressed the membership except Director Robert Baker and Director Larry Carlson who were unopposed.

Helmerick instructed the membership to vote for district 2 using the yellow ballot. He then called for the Credentials and Election Committee to collect and tally the ballots. The Credentials and Election Committee had previously met before the meeting started at the location of the Annual Meeting.

CEO McCarthy introduced special guests. He then introduced President Bible.

Bible gave a concise speech regarding the current status of the cooperative and recent changes.

Bible introduce special speaker Laura Matney from Wabash Valley Power. Matney gave a presentation on the “Power Moves” campaign being conducted by Wabash Valley Power.

CEO McCarthy responded to a few selected questions of general interest submitted by the membership.

Attorney Helmerick announced the results of the election. Richard Harlow, Jr. was re-elected for district 2. With no opposition, district 5 and 8 ballots were not tallied. A motion was made by member Gary Claypool and a second was made by Steve Kaiser. The motion carried and Richard Harlow, Jr. would represent district 2.

President Bible introduced the Annual Meeting Committee.

Director Alter again announced the winners of the registration drawings. He then asked the winners of the next drawings to come forward to have a photo taken. Drawings were conducted the drawing for the grand prizes of two iPods, two Nooks, \$1,000, \$2,500, and \$5,000.

President Bible asked the membership to put their comments sheets in the blue buckets as they exited the building.

The grand prizes were awarded to the following members: iPod touch to Rilla Flynn; iPod touch to Tina and David Rice; NOOK Tablet to Jo Ann Ward; NOOK Tablet to Timothy and Terri Platt; \$1,000 cash Ralph Colliver; \$2,500 cash to Steven Haby; and \$5,000 cash to Bonnie Marsh.

As there was no further business, the meeting was adjourned 10:42 a.m.

Jerry Peevler                      Brent Bible  
*Secretary-Treasurer*              *President*

## Employees

Ronna Bohlander	Plant Accountant
Kevin Bonebrake	Journeyman Lineman/ Working Foreman
Sandy Brook	Work Order Process Specialist
Brian Brown	Journeyman Lineman
J Calloway	Meter Technician
Kevin Carpenter	Maintenance Custodian
Misty Cassida	Member Service Representative
Joshua Chieppo	Apprentice Lineman
Jim Clark	Energy Advisor
Sasha Clements	Communications Coordinator
Mike Cochran	Meterman
Natalie Decker	Member Service Supervisor
Patrick Dowell	Meterman
Jami Dugger	AMI System Coordinator
Garrett Foutch	Apprentice Lineman
Steve Furniss	Line Superintendent
Jason Gates	Journeyman Lineman
Jonathan Gullett	Journeyman Lineman
Scott Hall	Journeyman Linemen
Melissa Harwood	Payroll Administrator
Sam Headlee	Apprentice Lineman

# Employees

Neil Hedrick	Staking Engineer
Justin Heide	Apprentice Lineman
Jerry Hogue	Line Superintendent
Ron Holcomb	Cheif Executive Officer
Carl Horoho	System Engineer
Chad Jasheway	Journeyman Lineman
Chad Jenkins	Manager of Engineering and Operations
Allen Jones	GIS Administrator
Andrew Karle	Journeyman Lineman
Duane Keiser	Apprentice Lineman
Chad Keller	Journeyman Lineman/ Working Foreman
Tyler Kent	Groundman
Cindy Kerker	Staking Engineer
Joe Kline	Engineering and GIS Supervisor
Jim Lind	Journeyman Lineman/ Working Foreman
Matt Lowe	Journeyman Lineman/ Working Foreman
Jacklyn McLeland	GIS Technician
Dana Mesaros	Warehouseman
Tracey Miller	Member Service Representative
Jason Monroe	Energy Management Supervisor
Debra Morris	Manager of Finance and Administration
Jeff Morrison	Journeyman Lineman
Traci Mountcastle	Member Service Representative
Abby O'Neill	Member Service Representative
Robert Palmer	Journeyman Lineman
Melody Peacock	Dispatcher
John Plahitko	Systems Administrator
Scot Price	Operations Supervisor
Matt Priebe	Right of Way Vegetation Maintenance Supervisor
Roger Raynes	Meter Technician
Corey Rhine	Apprentice Lineman
Benita Runion	Dispatcher
Krista Sanders	Lead Member Service Representative
Debbie Schavietello	Manager of Employee Services
Jaret Schultz	Vegetation Maintenance Planner
Eli Smith	Apprentice Lineman
Travis Smith	Journeyman Lineman
Tara Walters	Accounting Representative
Ernest Waltz	Journeyman Lineman
Jeff Wilcox	Substation Maintenance Technician
Doug Williams	Substation Maintenance Technician
Corey Willis	Manager of Technology and Communications
Brandi Wilson	Accounting Supervisor



Operation Round Up

TOTAL DONATIONS THROUGH 2012 . . . . .	\$860,403.70
TOTAL GRANTS THROUGH 2012 . . . . .	\$817,780.57

Through the generosity of Tipmont REMC members who allow their electric bills to be “rounded up” to the next dollar, Operation Round Up awarded \$48,856.44 to 31 local organizations in 2012, including:

Fountain County Genealogy Society, Inc.	National Alliance on Mental Illness
Tippecanoe Soccer Association	Tippecanoe Chamber Music Society
Family Crisis Shelter	Bach Chorale Singers, Inc.
Wabash Center	Art Museum of Greater Lafayette
SURF Center	Lafayette Chapter, Gold Star Mothers
Volunteers for Mental Health	Dream Season, Inc.
Book Cycle	Camp Cullom
Thomas Duncan Hall, Inc.	Abilities Services, Inc.
Volunteer Ambulance Service	Pam's Promise Transitional Housing
The Arc of Tippecanoe County	Tippecanoe Arts Federation, Inc.
Lafayette Neighborhood Housing	Montgomery County Youth Service Bureau, Inc.
Lew Wallace Study Preservation Society	The Learning Network
Boy Scouts of America/Camp Cary	YWCA of Greater Lafayette
Crossroads Equestrian Center, Inc.	Habitat for Humanity of Lafayette, Inc.
Tippecanoe County Historical Association	Women's Resource Center
Modified Athletics for Kids, Inc.	

EnviroWatts

TOTAL DONATIONS THROUGH 2012 . . . . .	\$510,070.13
TOTAL GRANTS THROUGH 2012 . . . . .	\$405,224.00

Tipmont REMC members show their support for their communities and the environment by participating in the EnviroWatts program. Members pay an extra one cent per kilowatt hour on their bill. Through these donations, the following agencies received grants in 2012:

CHS Transportation Systems Outreach	Civic Theater of Greater Lafayette
NICHES Land Trust	Tipmont REMC Ivy Tech Scholarship
Purdue Boiler Green Initiative	Tree Lafayette
Wabash River Enhancement Corporation	NICHES Land Trust
West Lafayette Tree Fund	Ross Biological Reserve

Consolidated Balance Sheet  
year ending 2012

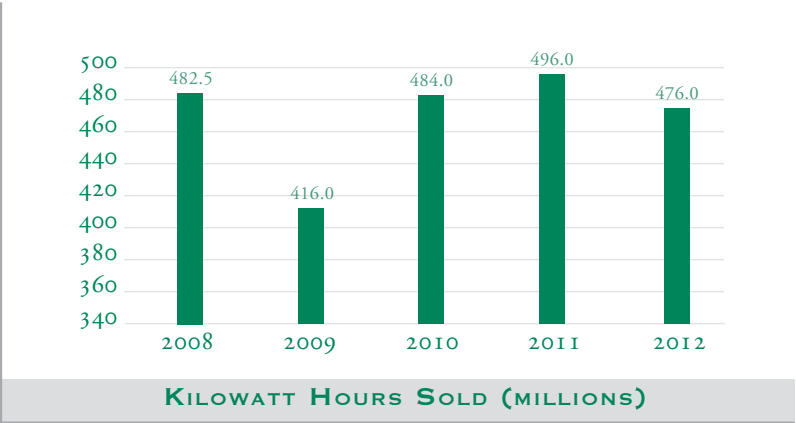
	2012	2011
Net Utility Plant	\$ 87,660,281	\$ 81,804,508
Other Property and Investments	8,699,645	7,395,952
Current Assets	8,772,702	9,543,671
Deferred Debits	255,498	289,960
Total Assets and Other Debits	\$ 105,388,126	\$ 99,034,091
Total Margins and Equities	\$ 53,588,466	\$ 50,421,800
Noncurrent Liabilities	43,317,802	38,195,485
Current and Accrued Liabilities	8,403,764	10,156,118
Deferred Credits	78,094	260,688
Total Equities and Liabilities	\$ 105,388,126	\$ 99,034,091

Consolidated Operating Statement  
year ending 2012

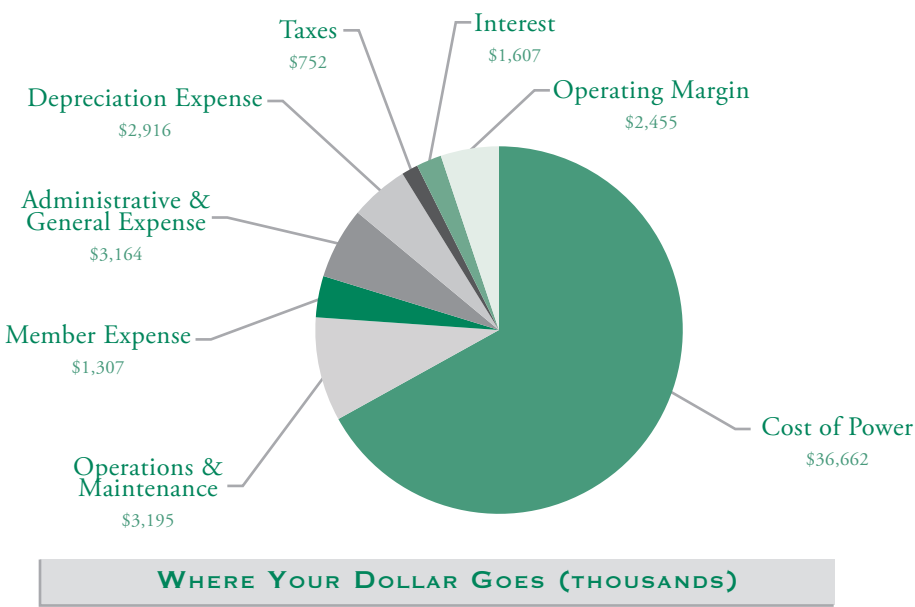
Operating Revenues	\$ 53,076,533	\$ 52,370,500
Total Operating Revenues	\$ 53,076,533	\$ 52,370,500
Operating Expenses		
Cost of Power	\$ 36,661,750	\$ 36,708,795
Operations	2,326,153	2,405,630
Maintenance	1,888,747	1,799,455
Consumer Accounts	1,306,503	1,435,242
Administrative and General Expense	3,163,972	2,857,658
Depreciation Expense	2,916,080	2,745,915
Taxes	751,766	741,586
Interest	1,606,946	1,468,213
Total Operating Expenses	\$ 50,621,917	\$ 50,162,494
Patronage Capital and Operating Margins	2,454,616	2,208,006
Non Operating Margins	73,618	62,717
Other Capital Credits and Patronage Dividends	1,198,093	1,243,012
Income/Loss from Investments	21,465	38,660
Net Margins	\$ 3,747,792	\$ 3,552,395

The Financial Records of Tipmont REMC and subsidiary for the years ended 2012 and 2011 presented in this report were taken from financial statements audited by Monroe Shine, Certified Public Accountants, New Albany, Indiana, which expressed their unqualified opinion on these statements in their report dated April 23, 2013. All assets are pledged as security for the noncurrent liabilities of the Rural Utilities Service (RUS) and the National Rural Utilities Cooperative Finance Coproration (CFC). Copies of the complete financial statements along with the auditor's report may be examined at the Cooperative's general headquarters by appointment during regular business hours. Jerry Peevler, Secretary-Treasurer of Tipmont REMC.

# Financials



# Financials



# Directors



**FRONT ROW, LEFT TO RIGHT:**

Bob Baker, Larry Carlson, Jerry Peevler, Richard Harlow, Kirk Alter

**BACK ROW, LEFT TO RIGHT:**

Curt Hudson, Attorney Jeff Helmerick, Brent Bible, Lynn Beck

# About Us

**MISSION:** To do the right thing for our members.

**VISION:** To improve the quality of life in our service area through community involvement, education, safety, personal and economic growth while providing reliable and affordable electric service for our members.

**COUNTIES SERVED:** Tippecanoe, Montgomery, Fountain, Clinton, Carroll, White, Benton and Boone

**MILES OF LINE ENERGIZED:** 2,318

**NUMBER OF METERS:** 26,359

**METERS PER MILE OF LINE:** 10.08

**NUMBER OF MEMBERS:** 21,880

**MEMBERS PER MILE OF LINE:** 8.37

**POWER SUPPLIER:** Wabash Valley Power Association

**NUMBER OF EMPLOYEES:** 64

# TIPMONT REMC

Your Touchstone Energy  
Cooperative



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