

Groundbreaking ceremony for the I-75 Corporate Park in Miami County, Ohio




# 2021 ANNUAL REPORT

PIONEER RURAL ELECTRIC COOPERATIVE, INC.

*Our communities, shining brightly.*



A Touchstone Energy® Cooperative 



# ABOUT US

Pioneer Rural Electric Cooperative, Inc., is a not-for-profit, consumer-owned electric distribution utility headquartered in Piqua, Ohio. We also have a district facility in Urbana, Ohio, providing quicker response times during outage situations and continued operations in case of a disaster.

The cooperative serves more than 17,000 residential, commercial, and large industrial members throughout rural Miami, Champaign, and Shelby counties, as well as portions of the eight surrounding counties — Mercer, Auglaize, Logan, Union, Madison, Clark, Montgomery, and Darke.

**17,025** members

**2,751** miles of line

**6.2** members per mile

**11** counties served

**54** employees



# EVERYTHING WE DO REVOLVES AROUND YOU — OUR COMMUNITY.

The energy industry received significant attention in 2021. With the federal government passing the Bipartisan Infrastructure Law and national conversations of broadband access, Pioneer brought the focus to our local communities and our neighbors — you, our members.

That is the cooperative difference.

With your support, our political action committee fought to protect your rights as cooperative members. To best protect and serve our members, we continued to encourage deployment of broadband to underserved areas in our region through offering access to our poles for new attachments and by providing expedited engineering for new broadband projects.

2021 was an exciting year for Pioneer. Multiple employees were recognized for their work and promoted within the cooperative to roles with increased responsibility and leadership.

In addition, the Pioneer board of trustees and key staff established strategic initiatives for the upcoming years. The purpose was to outline both the day-to-day work needed to deliver safe and reliable electric service and to develop departmental objectives to keep Pioneer on track. The goals set reinforced Pioneer's culture of safety, advanced cybersecurity efforts, sustained Pioneer's record of fiscal responsibility, looked at emerging trends to better serve our members, and finally, worked to strengthen Pioneer's community identity in line with one of the seven cooperative principles — commitment to community.

Among Pioneer's biggest projects in 2021 was work on the new Amazon fulfillment center in the City of Union, which is expected to create 1,500 full-time jobs. Pioneer installed five transformers and 1.35 miles of line for the new center. Work will continue in 2022 with installation of a new substation to serve Amazon and other new members in the industrial park.

Pioneer implemented outage text alerts to 13,461 members to allow two-way outage communication.

**Total outage minutes, including major events, was the lowest Pioneer had in the last eight years.**

The summer of 2021 was the hottest on record. Electricity cost is highest when it's at its peak. Last year, Pioneer saved \$370,000 using peak management, which helped control costs for members' rates.

Pioneer's work to provide continuous, reliable electric service is a job that is never done. In 2021, Pioneer continued to change out electric meters across our system, upgraded over eight miles of three-phase distribution tie circuits for members in Champaign and Shelby counties, replaced substation protective devices serving members in Miami and Champaign counties, installed substation wildlife cover for members in Miami and Shelby counties, and tested over 5,000 distribution poles.

We look forward to providing safe, high-quality, and dependable service to our membership throughout 2022 and well into the future.

# SAFETY & COOPERATION

## CREW OBSERVATIONS

Pioneer's new safety manual was fully adopted in 2021, and supervisors completed 116 crew observations. Eight of those observations were completed after hours to ensure round-the-clock safety for our line crew.

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LOST-TIME ACCIDENTS

## MUTUAL AID

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, state, and national structures. In 2021, our line crews assisted Buckeye Rural Electric Cooperative, AES Ohio, Guernsey-Muskingum Electric Cooperative, and Washington Electric Cooperative.

22

LINE PERSONNEL

7

UTILITIES

1,039

HOURS WORKED

# RELIABLE SERVICE

AVERAGE OUTAGE  
MINUTES PER

MEMBER **100**

Compared to  
135 in Ohio

METERS  
REPLACED

**2,659**

MILES OF TREES  
TRIMMED

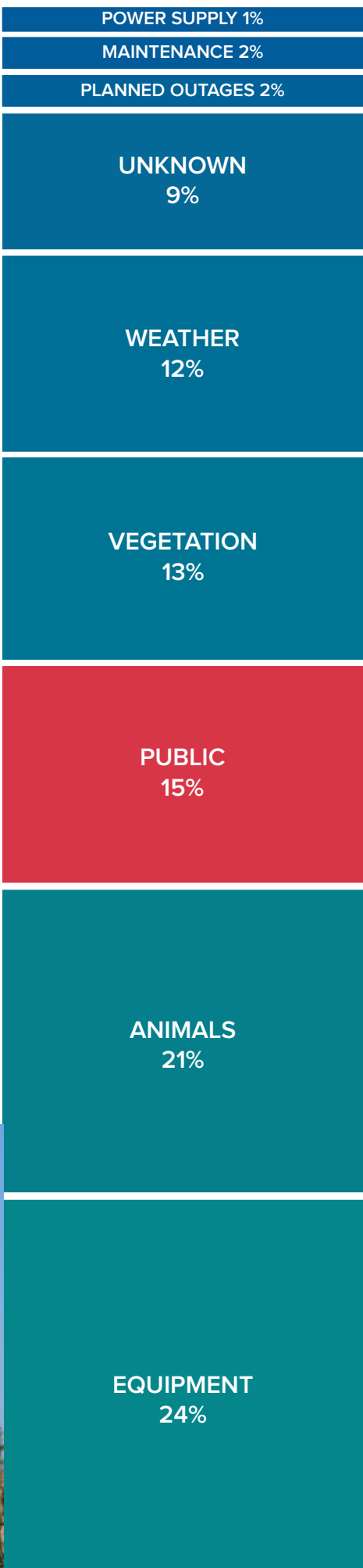
**410**

\*23% of total overhead line miles

LINE REPLACEMENTS

**13** Miles of line





2021 outages by cause

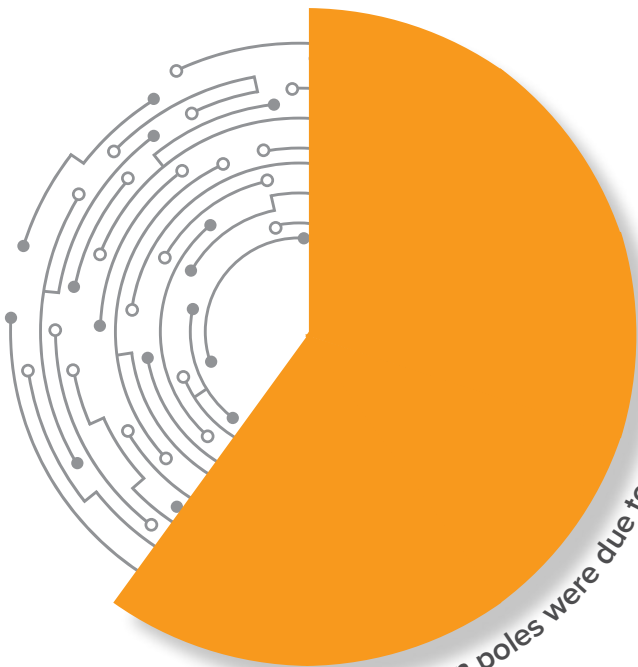
# MEMBER SAFETY

Cooperatives are dedicated to their communities. While our main focus is providing safe, high-quality, and responsive service to our members, we also deeply care about our members because they are our neighbors and friends.

We are responsible for ensuring our equipment is maintained and replaced for reliable service, which is why we upgraded protection on two substations serving Miami and Champaign counties. In response to repeated animal damage, we also installed wildlife coverup on a substation serving Miami and Shelby counties.

But we need your help ...

Accidents accounted for 15% of all Pioneer outages in 2021. Please use caution when driving and save that text for when you arrive.



## UTILITY POLES

Poles tested: **5,314**  
 Failed: **334**  
 Replaced: **234**  
 Broken poles: **46**

- Accident (29)
- Tree (4)
- Storm (6)
- Other (7)

63% of all broken poles were due to accidents

# POWERING YOU



## SCHOLARSHIPS

**10** high schoolers of members throughout our service territory were awarded **\$8,000** in scholarships.

## REBATES & INCENTIVES

**114** residential rebates were awarded to members for a total of **\$62,000** in rebates.\*

\*Cost is shared with Buckeye Power

## CAPITAL CREDITS

**\$2,653,005** was returned to current and former members in 2021.

## BOARD OF TRUSTEES

The board of trustees, elected by the membership, oversees the president/CEO, sets company policy, and monitors finances of the cooperative. They represent fellow members and participate in cooperative training and conference opportunities to best serve the membership.



Terrence Householder  
CHAIR



Colleen Eidemiller  
FIRST VICE CHAIR



Roger Bertke  
SECOND VICE CHAIR



John Goettemoeller  
SECRETARY



Mark Bailey  
TREASURER



Robert Billings  
TRUSTEE



Ted Black  
TRUSTEE



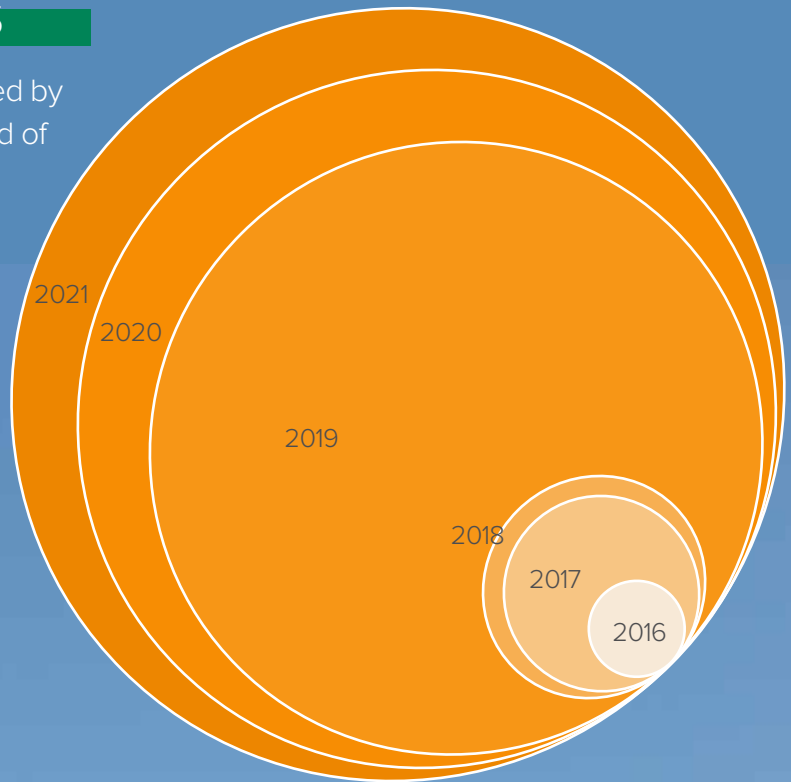
John Vulgamore  
TRUSTEE



Wade Wilhelm  
TRUSTEE

## PIONEER MEMBERS' SOLAR INSTALLATIONS

**31** solar installations were completed by Pioneer members in 2021. At the end of the year, a total of **114** systems were installed, generating over **1 MEGAWATT** of power.



## ECONOMIC DEVELOPMENT

Contributed **\$9,850** to economic development projects in Champaign, Miami, and Shelby counties.



## Balance Sheet *as of December 31, 2021*

### ASSETS

#### Electric Plant

In service — at cost	\$125,168,436
Construction work in progress	200,859
Subtotal	<u>\$125,369,295</u>

Less accumulated provision for depreciation and amortization	41,491,222
Net electric plant	<u>\$83,878,073</u>

#### Other Assets & Investments

Investments in associated organizations	\$37,494,457
Total other assets and investments	<u>\$37,494,457</u>

#### Current Assets

Cash and cash equivalents	\$8,002,602
Accounts receivable <i>(less accumulated provision for uncollectible accounts of \$54,310)</i>	5,506,298
Materials and supplies	947,116
Prepayments — Buckeye Power, Inc.	331,872
Other current assets	1,469,381
Total current assets	<u>\$16,257,269</u>

Deferred Debits	<u>\$181,323</u>
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<b>Total Assets</b>	<b><u>\$137,811,122</u></b>
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Employees volunteering at Farm Science Review.





## Balance Sheet *as of December 31, 2021*

### EQUITIES AND LIABILITIES

#### Equities

Patronage capital	\$77,959,618
Other equities	3,053,891
Accumulated other comprehensive income	78,100
Total equities	<u>\$81,091,609</u>

#### Long-term Debt

CFC mortgage notes less current maturities	<u>\$45,261,285</u>
Total long-term debt	<u>\$45,261,285</u>

#### Other Noncurrent Liabilities

Accumulated provision for pensions and benefits less current maturities	<u>\$903,609</u>
Total other noncurrent liabilities	<u>\$903,609</u>

#### Current Liabilities

Current maturities of long-term debt	\$1,955,789
Accounts payable — purchased power	3,938,879
Accounts payable — other	891,157
Consumer deposits	266,251
Accrued taxes	2,067,324
Current maturities of accumulated provision for pensions and benefits	82,299
Other current liabilities	<u>609,084</u>
Total current liabilities	<u>\$9,810,783</u>

#### Deferred Credits

\$743,836

#### Total Equities and Liabilities

**\$137,811,122**

## EMPLOYEE FUNDRAISING

Pioneer's employee fundraising initiative donated **\$3,968.67** to Rustic Hope, recovery efforts for Kentucky cooperative members affected by tornadoes, and various children's organizations for holiday gifts.

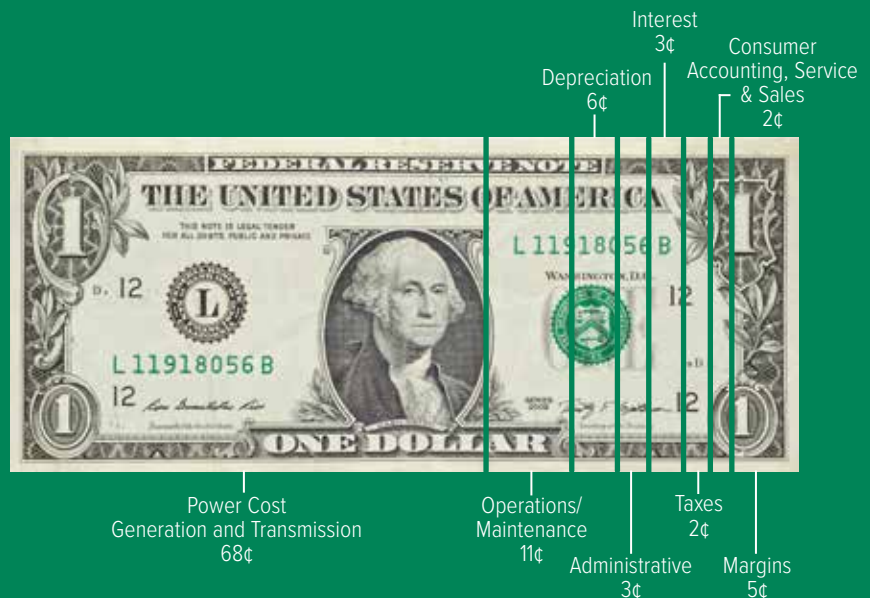
Employee-Driven Hard Hat Drop Fundraiser



## Statement of Revenue & Patronage Capital *for the year ended December 31, 2021*

<b>Operating Revenues</b>	\$70,636,821
<b>Operating Expenses</b>	
Cost of power	\$48,080,707
Distribution — operation	5,540,705
Distribution — maintenance	2,326,915
Consumer records and collection expense	865,488
Administrative and general expense	2,260,762
Sales expense	725,971
Depreciation and amortization	4,076,860
Taxes	1,602,573
Other income deductions	12,070
Interest on long-term debt	1,973,309
Other interest expense	<u>7,599</u>
Total operating expenses	<u>\$67,472,959</u>
Operating margins before capital credits	\$3,163,862
Buckeye capital credits	1,891,777
Other capital credits	<u>210,876</u>
Net operating margins	<u>\$5,266,515</u>
<b>Nonoperating Margins</b>	
Interest and dividend income	\$80,885
Other nonoperating income	<u>7,459</u>
Total nonoperating margins	<u>\$88,344</u>
<b>Net Margins</b>	\$5,354,859
<b>Patronage Capital</b> — <i>beginning of year</i>	\$75,257,764
Retirement of capital credits — general	(2,251,958)
Retirement of capital credits — estate	<u>(401,047)</u>
<b>Patronage Capital</b> — <i>end of year</i>	<u><b>\$77,959,618</b></u>

How your dollars  
are spent.



## Statement of Cash Flow *for the year ended December 31, 2021*

<b>Cash Flows from Operating Activities</b>	
Cash received from consumers	\$70,639,909
Interest and dividend income	81,085
Capital credits	<u>3,037,244</u>
Cash provided by operating activities	\$73,758,238
Cash paid to suppliers and employees	\$58,341,019
Interest and taxes paid	<u>3,927,868</u>
Cash disbursed for operating activities	\$62,268,887
Net cash from operating activities	<u>\$11,489,351</u>
<b>Cash Flows from Investing Activities</b>	
Construction and acquisition of plant	\$(3,938,147)
Proceeds from disposal of plant	(1,727,051)
Investment in associated organizations	10,051
Other nonoperating income	<u>7,459</u>
Net cash used by investing activities	<u>\$(5,647,688)</u>
<b>Cash Flows from Financing Activities</b>	
Decrease in consumer deposits	\$10,611
Payments on long-term debt	(1,867,309)
Patronage capital credits retired	<u>(2,653,005)</u>
Net cash used by financing activities	<u>\$(4,509,703)</u>
<b>Net Increase in Cash</b>	\$1,331,960
<b>Cash — beginning of year</b>	<u>6,670,642</u>
<b>Cash — end of year</b>	<u><b>\$8,002,602</b></u>
<b>Reconciliation of Net Margins to Net Cash Provided by Operating Activities</b>	
<b>Net Margins</b>	\$5,354,859
<b>Adjustments to Reconcile Net Margins to Net Cash Provided by Operating Activities</b>	
Depreciation	\$4,076,860
Buckeye Power Inc. and other capital credits (noncash)	934,591
Provision for uncollectible accounts receivable	(6,901)
(Increase) decrease in:	
Customer and other accounts receivable	(92,776)
Current and accrued assets — other	165,822
Deferred debits	137,908
Increase (decrease) in:	
Accounts payable	151,770
Accrued taxes	82,628
Current and accrued liabilities — other	(89,104)
Deferred credits	716,289
Other nonoperating (income) loss	(7,459)
Accumulated provision for pensions and benefits	(139,662)
Obligations under capital lease	(10,205)
Retired capital credits — gain	<u>214,731</u>
Total adjustments	<u>\$6,134,492</u>
<b>Net Cash Provided by Operating Activities</b>	<u><b>\$11,489,351</b></u>



A Touchstone Energy® Cooperative 

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