

GENERAL MANAGER'S ANNUAL REPORT

I am pleased to present this annual report to our members. Pearl River Valley Electric was founded in 1938 by a handful of people coming together to meet a common need. Now 80 years later, that spirit of working together is still very much alive in all we do.

Because Pearl River Valley Electric is member-owned, it is vital that each of you be aware of the changes and challenges that we face together. As a local, not-for-profit organization, our Association's overall priority is to provide electric service that is affordable, safe and reliable. I am proud to be able to say that we have seen many good results over the past year.

SYSTEM GROWTH AND IMPROVEMENT

For 2017, the number of meters served by the Association increased 0.7% from 48,951 to 49,318, while our annual sales of electricity—992,821,799 kilowatt hours (kWh)—were about 3.9% below 2016.

Maintaining reliable service to members requires continual planning and upgrading of our lines and equipment. In 2017, our crews added nearly 90 miles of new overhead and underground lines to our system, which now has more than 6,000 miles of lines and 25 substations throughout our 12-county service area.

RIGHT-OF-WAY TRIMMING

Right-of-way (ROW) trimming is an essential part of our maintenance program. Our goal is to rotate through our entire system every 6-7 years, which means we trim nearly 1000 miles of ROW annually.

We sincerely appreciate all the cooperation we receive from members in allowing us to cut adequate right-of-way. Your continued help and understanding are vital when crews are clearing lines that serve your home. It could mean the difference in the reliability of your electric service as well as your safety.

SYSTEM MAINTENANCE AND OUTAGES

Pearl River Valley Electric has an excellent outage record that is well below the national average. On average, our members experience very few outages lasting only short amounts of time, which is remarkable when you consider that electric service is a 24/7 commodity.

We continue to implement a pole inspection program to change out bad poles that could possibly cause power outages. As always, over the past year we also replaced, upgraded or retired equipment and facilities as needed.

SAFETY

All of our employees are committed to working safely. They have adopted a full time culture of safety and strive to work accident free each and every day. An effective safety program not only ensures the well-being of employees, but also saves your Association money.

MEMBER PROGRAMS

Pearl River Valley has always been committed to building strong, enduring relationships with our members because you are the reason our organization exists. And because we are operated locally, we are also dedicated to assisting the communities in which we live.

Our member services department is constantly looking for new ways to provide valuable information and programs. I would encourage everyone to make use of our website as often as possible, as it has features related to wise energy use and other services designed to make your dealings with us more efficient. We offer a mobile app that offers similar services. You may also call us about home

energy audits, advice on the proper sizing on heating and air-conditioning systems, and educational programs for civic groups and schools.

This will be our sixth year of operating Round Up for Education, a community college scholarship program designed to encourage members and their children to continue their education. The vast majority of our members are rounding up their bills each month, which is providing the money to fund the scholarships. Over the past five years, more than 1,000 students have received nearly \$935,000 in scholarships to help with their education costs, and this year we have more than 270 applicants. Without doubt this program is a unique and collaborative way to improve the quality of life for hundreds of families in the communities we serve. It is an outstanding example of what can be accomplished by cooperative members working together; I don't think there's another program like it in the country.

YOUTH LEADERSHIP ESSAY CONTEST

Each year Pearl River Valley Electric sponsors an essay contest for junior class students in high schools located within our service area. A judging committee reviews the essays and selects the winners. The winners attend a three-day youth leadership workshop in Jackson and during the summer they travel with other Mississippi students to Washington, D.C. for the week-long Youth Tour.

This year's winners were Thomas Hahn of Columbia High School and Katie Norris of West Marion High School. Both of these young people have been outstanding representatives for Pearl River Valley Electric.

THE SPIRIT OF COOPERATION ENHANCES QUALITY OF LIFE

I would again like to say thank you to our members. We appreciate your support, patience and trust. It has been a privilege to serve you this past year, and we will continue to work hard in coming years to meet and exceed your expectations.

I am very proud to be your general manager and to be a part of the cooperative way of doing business. I'm also proud of our employees' dedication and hard work. By communicating and working together, we can ensure our ability to continue providing the affordable, safe and reliable electric service that enhances the quality of all of our lives.