

December 15, 2016

Thank you for your interest in Shelby Energy Cooperative's strategic plan. The Board of Directors and management are enthusiastic about the future of Shelby Energy Cooperative, Inc. and our mission of providing our members with safe, reliable and cost-effective energy.

With the various challenges facing the electric utility industry, a strategic plan is essential for the Cooperative to be attentive to its mission and its membership. Some examples of the challenges we face include environmental regulations, a struggling economy, changeable weather patterns in addition to an aging work force.

The strategic planning process began with a preliminary survey to gather data from the directors and the members of the management team to assist with determining the strategic goals essential for future success. The Board engaged an experienced consultant, Mr. Steve Kettler, Senior Vice President of the Strategic Services Group, along with assistance from Mr. Brian Stavish, Regional Vice President, both of whom are with the National Rural Utilities Cooperative Finance Corporation, ("CFC"). Mr. Kettler serves as a strategic advisor for many electric cooperatives, and he led the directors and management team through the day and half process of strategic planning.

The direct participation of every member of the strategic planning team resulted in a comprehensive strategic planning document with thirty-eight (38) action plans that support the seven (7) strategic goals determined by the group. The strategic plan is a flexible document that will be reviewed and updated as our business evolves, and we respond to the needs of the membership.

We appreciate the support and guidance of our Board of Directors, the outstanding service from Steve Kettler and Brian Stavish of CFC and the cooperation of every member of management who was committed to the strategic process.

Sincerely,



Debra J. Martin
President and CEO



Facilitated by CFC

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