

# Measuring Safety Performance



**F**ocusing on safety—through training and measurement standards—is crucial in an industry where working around high voltage lines, operating heavy equipment and dealing with inclement weather conditions is the

norm. So how does CAEC measure our safety performance and how do we compare to other businesses in our industry?

Those are important questions, but before I answer them, I would like to recognize and celebrate an important milestone that CAEC employees reached on Dec. 15, 2010: *five years of work with no lost time accidents!* Thank you, employees, for taking safety seriously.

*“There are numerous reasons we measure our safety performance, but there is none more important than the goal of sending all our employees home each day the same way they arrived.”*

Getting back to those questions of measurement, one of the more traditional performance standards used in our industry is “work-related injuries and illnesses” incident rates, administered through the Occupational Safety and Health Administration (OSHA). This federal agency has established specific calculations that enable any company to report its Recordable Incident Rate (RIR), Lost Work Days Rate (LWDR), Days Away/Restricted or Job Transfer Rate (DART) and sever-

ity rates so the standards are comparable across any industry or group.

Based on these rates over the past five years, CAEC is considered a “high performing co-op” among both cooperatives as well as investor-owned utilities. In January of this year, your co-op was selected to participate in a national panel discussion addressing leadership in safety performance. The purpose of this project was to bring together CEOs of these “high performing” systems to determine if there was a difference in how the safety culture and practices were

approached. (See comparison chart on the next page).

The seminar was sponsored by the electric cooperatives’ insurance company, Federated Rural Electric Insurance Ex-

change, commonly known as Federated. At the conclusion of this national discussion, the group identified the leading practices that produce an exceptional safety culture, including safety programs that are actively managed internally. Those practices included CEOs taking an active role in leading, managing and overseeing their cooperatives’ safety programs; accidents and incidents which are consistently and accurately recorded; safety violations that are consistently disciplined according to a written, objective and well-com-

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## LOCATIONS

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1802 U.S. Hwy. 31 North  
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Outage Hotline: (800) 619-5460

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1601 7th St. North

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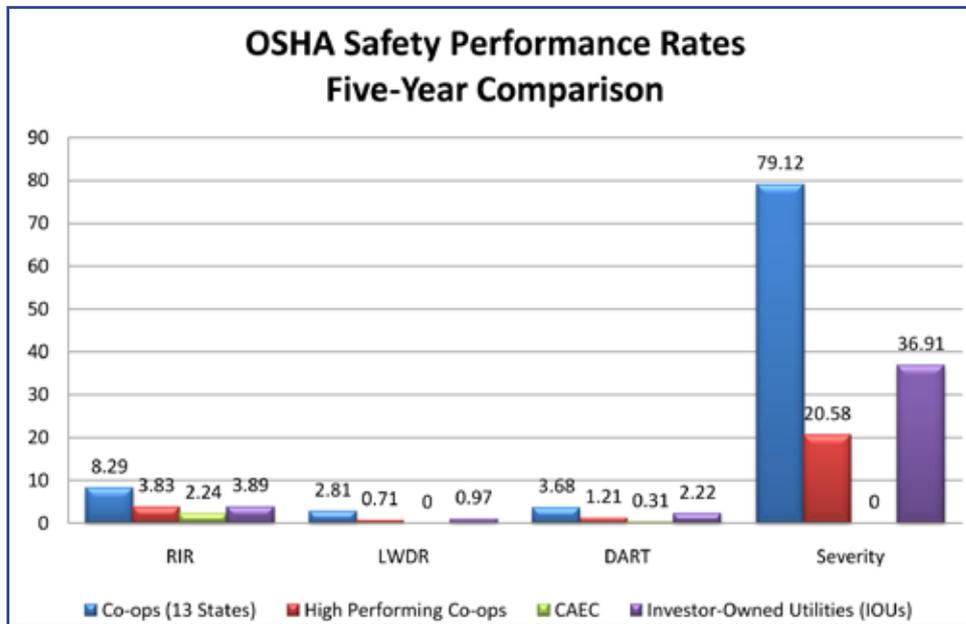
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P.O. Box 681570  
Prattville, AL 36068

communicated discipline policy and an attitude that productivity never compromises safety.

Not only does a safe work record translate into premium savings for our worker's compensation insurance, the cooperative also benefits from more efficient operations, less stress on employees (and families if they have to deal with the issues of an accident) as well as more reliable service.

iors through our on-going safety program; ensuring employees have the skills, right tools and knowledge necessary to get the job done safely; holding everyone accountable for safety; and public education, we can continue to cultivate a safe workplace for employees, members and the community.

There are numerous reasons we measure our safety performance, but there is none more im-



Five years ago, CAEC's experience rating was at 1.48, or 48 percent above market. Today, we have our lowest insurance experience rating of .76. Of course, any cost savings the co-op experiences is, in turn, beneficial to our members.

By continuing to emphasize safe work behav-

portant than the goal of sending all our employees home each day the same way they arrived. ☺

Tom Stackhouse, President/CEO

## CAEC Rates

	Access Charge	+	Dist. Charge/kWh	+	Wholesale Power Charge/kWh
<b>Residential</b>	\$26		.01545		.08940
<b>Small Power Service</b>	\$26		.01545		.08940
<b>Small Commercial</b>	\$30		.02577		.09663

*Rates are designed to recover the cost of purchasing wholesale power, operating expenses and a margin level required by our lenders. As of April 2011, our Power Cost Adjustment (PCA) is a credit to the member in the amount of 0.00467 per kWh, which is \$4.67 per 1,000 kWh. Charges exclude 4 percent gross receipts (sales tax) and 2.2 percent utility tax.*

# Employee Spotlight: Vice President

*Central Alabama Electric Cooperative's executive team of vice presidents consists of four individuals with different backgrounds and diverse responsibilities.*

Understanding the cooperative's strategic initiatives, implementing plans to achieve short- and long-term goals and supervising a division workforce is probably an accurate job summary for CAEC's vice presidents (VPs). As a cross-functional team, each VP member plays a distinctive role in a shared commitment to cooperative members and employees.

## **VP, Business & Administrative Services**

"Collaboration among the four of us is a vital component for success, not only for the members' benefit, but also for our ability to achieve overall goals," said VP, Business & Administrative Services Julie Young.

Young, with 11 years of service at the co-op, oversees a broad range of departments that focuses predominately on people issues, including hiring, performance management, organizational development, wellness, benefits, employee motivation, education and training, and most importantly, safety.

"No matter what the function or responsibility of individual employees may be, the entire co-op operates under the umbrella of safety," said Young. "Safety is not simply a practice; it's integrated into CAEC's culture as a core value," she said.

Other areas of division responsibility include community and economic development, legislative initiatives and strategic project management.

## **VP, Customer & Energy Services**

Having served the co-op for 30 years, Chuck Billings, VP, Customer & Energy Services, man-

ages the processes for customer relations. While much of customer service deals with front-line interaction, other less prominent activities center on customer support, such as field service, energy inspections and member communication and education.

As a member-owned cooperative, meeting and exceeding consumer expectations cannot be adequately addressed without understanding member needs. That is why CAEC surveys more than 6,000 members annually. Monthly feedback from members is utilized by the customer and energy services departments to enhance face-to-face and

phone interaction as well as communication efforts made through *Alabama Living Magazine* and the co-op's website.

"Our division relies on input about consumer expectations from the other three areas because all divisions have contact with members," said Bill-

ings. "Our executive team knows the importance of working closely with one another. Just as important as consistency and reliability are with our employees, being organized and unified with our member communications is also critical," he said.

## **VP, Engineering & Operations**

Reliability of power delivery is of primary concern with Jimmy Gray, VP Engineering & Operations. Employed with CAEC for 13 years, Gray oversees the maintenance, upgrades and expansion of the cooperative's infrastructure.

"Maintenance of our system is imperative for reliability," said Gray. "It takes multiple people with precise knowledge of the electrical system and



safety procedures to provide our members with electricity 99.95 percent of the time.”

Preventative maintenance is another fundamental component of reliability. Today’s technology helps the cooperative move toward a higher standard of service reliability. Each year CAEC invests in system improvements to sustain a high level of reliable power delivery.

Reliability among the executive team is also necessary when it comes to serving more than 40,000 members and 5,500 miles of line because each division has investment in the people, materials and technology that is critical to safe and dependable operations.

### ***VP, Corporate & Financial Services***

Vice President of Finance and Corporate Services David Loe is charged with stewardship of the members’ money as well as the cooperative’s facilities, fleet, supplies and technology. Loe has been with CAEC for 12 years.

Even though CAEC is a not-for-profit entity, the co-op is still required to make margins sufficient enough to satisfy its federal lender. Those margins are paid back to members as capital credit refunds when the infrastructure is retired, which is currently 27-30 years later.

An annual work project for the vice presidents involves the compilation of the cooperative’s budget, which is recommended to CEO Tom Stackhouse and approved by the Board of Trustees. Annually, CAEC spends approximately 68 percent of its revenue purchasing wholesale power while the remaining 32 percent funds daily operations.

“Technology has helped us over the past several years—not only in our budget forecasting process, but throughout each of our divisions. As a VP team we’ve worked with our employees to integrate software tools that have helped us achieve greater efficiencies. With that said, we all know it’s still important to continually weigh the cost of new technology against the value we receive from it,” said Loe.

The role of the VPs bears significant responsibility and accountability to you, our members and the employees they supervise. By collaborating and implementing the company’s strategic initiatives, CAEC employees can continue to provide quality, reliable and affordable electricity to your homes and businesses. 

## **VICE PRESIDENT’S AREAS OF RESPONSIBILITY**

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### ***VP, Business & Administrative Services***

Oversees the following areas: Strategic Plan Implementation, Project Management, Human Resource Development, Job Training and Safety, Economic Development, Administrative Support, Legislative, Legal and Policies

### ***VP, Customer & Energy Services***

Responsible for Customer Services, Consumer Accounting, Dispatch, Energy Services, Rate Support, Community Investment, Key Accounts, Marketing, Public Relations, External and Internal Communications

### ***VP, Engineering & Operations***

Manages Engineering, Construction, Operations, Maintenance, Technical Services, Dispatching Support and Rate Support

### ***VP, Corporate & Financial Services***

Supervises Budgets and Controls, Finance, Accounting, Information Technology, Fleet Management, Material Management, Facilities Management, Record Management, Rates and Internal Auditing

# Youth Tour - Developing and Promoting Leadership Skills

Since 1982, CAEC has developed and promoted leadership skills for our youth through the Youth Tour Program, which allows selected high school juniors to tour the state's capital and attend a leadership camp in Columbiana, Ala.

Nine high school juniors, sponsored by CAEC, participated in the 2011 Alabama Rural Electric Association's (AREA) Montgomery Youth Tour, March 29-31. Participants were (*l. to r., back row*): Evan Venable, Elmore County High; Madeline Pendley, St. James; Wesley Costello, Elmore County High; Tony Hammack, East Memorial Christian Academy; (*l. to r., front row*): Nicole Davis, Wetumpka High School; Amanda Williams, Autauga Academy; Anna Davis, Prattville High School; Michelle Bufkin, Prattville High School; and Lori Davis, Billingsley High School.

## Montgomery Youth Tour/ Alabama Cooperative Youth Leadership Conference

Joined by more than 130 other students from across the state, the participants had the opportunity to tour the State Capitol, the State House, the Alabama Supreme Court Building and the Rosa Parks Museum. They also met with State Senators Bryan Taylor and Cam Ward, elected officials in CAEC's service area.

All students will be invited to participate in the Alabama Cooperative Youth Conference held at the 4-H Youth Development Center in Columbiana, Ala., July 6-8, where they and students from across the state will learn about different kinds of cooperatives and the unique role they play in our

everyday lives. They will also take advantage of leadership development exercises and activities.

## Washington D.C. Youth Tour

Another part of the Youth Tour Program is the Washington D.C. Youth Tour, scheduled for June 11-16. After interviewing with a panel of CAEC Trustees, four of the Montgomery participants were selected to attend this upcoming conference: Michelle Bufkin, Nicole Davis, Madeline Pendley and Amanda Williams were selected and Anna Davis was named

as first alternate. These representatives will join approximately 1,500 high school juniors from electric co-ops across the country.

This tour provides young leaders a life-impacting opportunity to help increase their understanding of the value of rural electrification and to become more familiar with the historical and political environment of the nation's capital with visits to monuments, government buildings and cooperative organizations. They will also be able to visit with elected officials to increase their knowledge of how

the federal government works.

Congratulations to all of our students who participated in the Montgomery Youth Tour, the Cooperative Youth Leadership Conference and those chosen for the Washington D.C. Youth Tour.

Application information for the 2012 Youth Tour will be available in the September issue of *Alabama Living Magazine* and at our Web site, [www.caec.coop](http://www.caec.coop).



*CAEC Offices will be closed May 30 for Memorial Day*



# Water Heater Rebates

**C**AEC offers rebates for water heaters. Purchase your new electric water heater from any store and receive a rebate for meeting the following criteria:

*Electric water heaters only  
(cannot be tankless)*

*Minimum energy factor of .92*

*Participation in CAEC's Peak Shaving Program\**

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Water heaters will be inspected to verify:

**Installation at member's address**

**Manufacturer's Information:**

*Name and spec information (which includes model and serial numbers and the energy factor)*

**Proof of purchase:**

*Copy of receipt and store name*

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Rebates are available in the following amounts:

Under 80 gal:            up to \$235

80 gal & up:            up to \$375

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For more information about our rebate program, call (800) 545-5735, ext. 2118 or (334) 351-2118.

*\*To learn more about CAEC's Peak Shaving program, visit [www.caec.coop](http://www.caec.coop).*

# Test Your Electrical Safety Knowledge

You may be shocked to find out how much there is to know about electrical safety. Test yourself by taking our short quiz.

1. *If you see a downed power line or low-hanging power line, you should:*

- A. Stay clear and call the authorities and power provider.
- B. Move it out of the way and call the authorities and power provider.
- C. Don't worry about it because the power provider already knows about it.



2. *True or False:* It's acceptable to use black electrical tape to repair a frayed power cord, or to splice a power cord, as long as you cover all exposed wire.

3. *What does GFCI stand for?*

- A. Ground fault circuit interrupters
- B. General formula cellular ions
- C. Gel-filled cylinder insulators

4. *An electric wire has fallen on your car while you're inside. What's the safest thing you can do?*

- A. Get out of the car and run.
- B. Ask someone to open your car door for you.
- C. Stay in your car

5. *What is the function of the third prong on a 3-prong plug?*

- A. Provides extra power for equipment requiring higher wattage.
- B. Provides a path to ground any electricity that may stray from an appliance or product.
- C. Helps to hold the plug firmly in the outlet.

## Answers:

1. *A:* If you see a downed power line or one that is hanging, you should stay clear and call the authorities and power provider immediately. **DO NOT** approach or touch it.

2. *FALSE:* The black tape - usually vinyl - is not rated to handle the heat generated by electricity running through wires. It will melt and burn.

3. *A:* GFCI stands for ground fault circuit interrupters. They are installed on electric wiring at wall outlets to protect against accidental electric shocks or electrocution by acting immediately to shut off the circuit if a ground fault or "leak" of current is detected.

4. *C:* If a live wire falls on your car, stay in the car until help arrives. It's too dangerous to try to escape the vehicle and anyone who touches the car may be electrocuted.

5. *B:* The third prong on a 3-prong plug provides a path to ground as a means to protect the equipment and user from electric shock. You should never remove the third prong in an attempt to use a 2-prong outlet. Use an adapter or replace the outlet.

