



2022 ANNUAL REPORT



To our customer-members

With an 82-year record of reliability, resilience and responsiveness, your cooperative has a wonderful story to tell. We are grateful to the visionaries who built Chickasaw Electric in 1940 and to everyone who has contributed to the stewardship of our cooperative ever since. We are grateful to the 22,044 customer-members we serve in Fayette, Hardeman and Haywood counties in Tennessee and parts of Benton and Marshall counties in Mississippi. You are the reason we exist, and we pledge to be responsive, reliable and resilient as we continue to serve you and the communities we call home.



The cooperative model

Board members, attorney and management team

Chickasaw Electric was built and is led by people in the communities we serve. Your cooperative is led by an elected board of 10 community leaders who provide guidance and oversight to ensure that the needs of the coop customer-members are fully represented. This locally owned and operated model is key to our resilience because the Chickasaw Electric board makes decisions with local concerns in mind.

Our employees and directors are active members of the community who volunteer and are committed to improving the quality of life here.

Like all of America, our communities have been through a lot in the past couple of years. But the resilient spirit we share has allowed us to persevere and even grow.



Chip Reeves
District 1



June Walker
District 2
Re-elected



Mary Lou Thomas
District 3



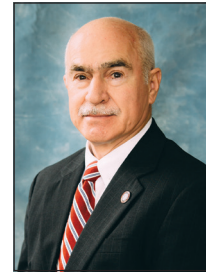
Gordon Tomlin
District 4



Phil Burrows
District 5
Re-elected



John Hurdle
District 6
Newly elected



Vip Lewis
District 7



Royce Reeves
District 8



Howard Dowdy
District 9



Bill Rhea
District 10
Re-elected



Tom Minor
Attorney

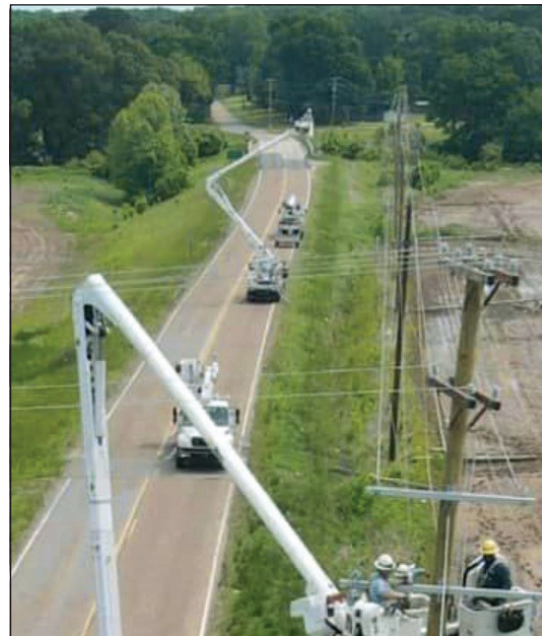
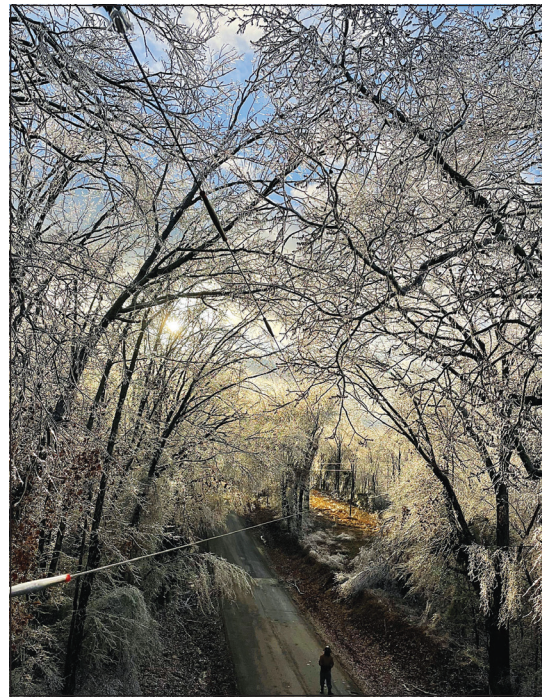
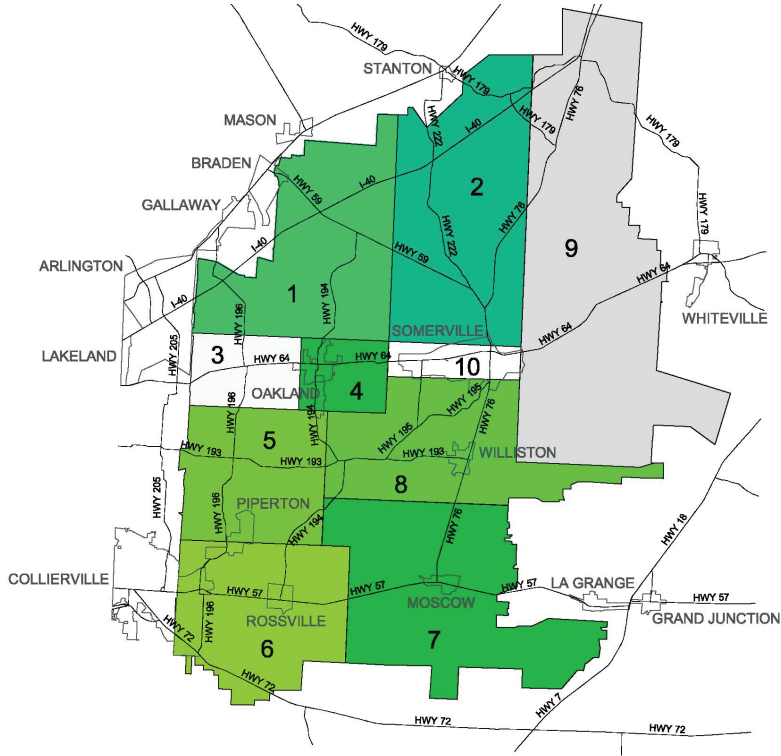


Loyd Muncy
General Manager



Glenn Fones
Assistant Manager

Board districts



Electric system update

Fayette County continues to experience steady growth. In 2021, we added 394 residential customer-members, bringing our total customer-membership count to 22,044. With this growth comes the need to quickly and reliably add infrastructure to the grid. In 2021, we set approximately 451 poles and ran 45 miles of overhead wire to serve these new customer-members.

In Galloway, near the intersection of Interstate 40 and Highway 196, Helen of Troy has begun constructing a 2 million-square-foot distribution center. Chickasaw Electric is in the process of upgrading nearly four miles of distribution assets to provide the level of power Helen of Troy needs to begin operation. Chickasaw Electric anticipates this being an area of future growth and is being proactive by beginning the early stages of property acquisition for a future substation to boost our capacity in the area.

The announcement of Blue Oval City, located in Stanton near the intersection of I-40 and Highway 222, has also created a lot of growth opportunities. Chickasaw Electric has upgraded nearly nine miles of distribution line to provide Ford with temporary construction power. Ford will attract many suppliers to the area in the coming years, and Chickasaw Electric is trying to position itself to handle this future load growth.

Chickasaw Electric also performed its systemwide infrared scan. Infrared electrical inspections are a great way to find “hot spots” caused by defects in connections and components as increased heating on components is one of the first signs of failure. Detectable conditions include loose or deteriorated connections, overloads, defective equipment, harmonics or inductive heating. It's beneficial to Chickasaw Electric and our customer-members to know about these issues and correct them before they lead to unwanted outages.

Chickasaw Electric Facts

- Member-owned electric distribution cooperative
- Employees: 71
- Board Members: 10
- Serves power to more than 22,044 members in Fayette, Hardeman and Haywood counties in Tennessee and parts of Benton and Marshall counties in Mississippi.
- 18,652 of the members served are residential.
- Formed in August 1940.
- Maintains more than 33,790 poles and 1,599 miles of line.
- Operates 10 substations
- Has the lowest rates among the 22 other electric cooperatives across Tennessee.



We care

This is why we continually invest in our customer-members and our communities by providing scholarships, sponsoring rising high school seniors on the Youth Leadership Summit and Washington Youth Tour, and leading safety demonstrations for schools and others in our communities.



Above: Washington Youth Tour Short Story Contest winners are, from left, Jayden Odom, Rossville Christian Academy; Molly Eubanks, Fayette Ware High School; and Collin Creech, Fayette Academy.

Member growth

This past year, Chickasaw Electric membership continued to see steady growth; more than 550 customer-members were added to the cooperative since last year.



At left, Chickasaw Electric employees perform a high-voltage safety demonstration at the Fayette County Cotton Festival. Our high-voltage safety demonstration gives an up-close and personal look at the power distribution system and the dangers that exist around live power lines. Our employees teach how to be safe around power lines, showing why you must not climb trees near power lines and telling members what to do if they're in a car accident that brings down power lines (stay in the car until our employees arrive to de-energize the lines). Chickasaw Electric also visits local schools to teach students the importance of electric safety.



Safety training

Safety is at the forefront of Chickasaw Electric's daily operation. We are committed to maintaining a safe culture and achieving best-in-class performance in our industry. Monthly safety meetings are held for all employees to attend or view remotely from their computers. Various safety topics are discussed, and training is conducted. Employees participate in drills and actively contribute to safety improvement planning to help educate their fellow employees about the dangers of their jobs and build on the importance of safety at the co-op and at home.



Vegetation management

Most everyone recognizes the importance of trees. They provide shade in the summer and help shield us from winter winds. Trees enhance the beauty of the landscape, provide habitat for many animals and give children wonderful places to play.

Trees can also create very costly and dangerous situations when they contact electric utility lines. Vegetation contacting utility lines is responsible for some of the annoying blinks our consumer-members experience.

Each of these power quality issues costs our member-owners in two ways: Power is lost each time vegetation contacts the lines, and the damage caused by vegetation results in tremendous labor and material expenses. Vegetation management is an important aspect of Chickasaw Electric Cooperative's goal of providing our members with safe, reliable and affordable energy.

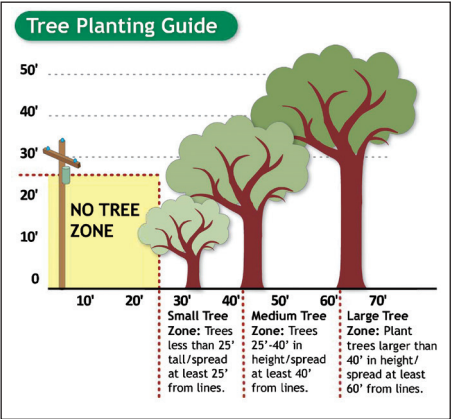
Reasons for maintaining vegetation

Safety: Trees near power lines pose a threat to your home, your electric service and your life. When trees contact high-voltage lines and the right conditions are present, they might become conductors, carrying deadly electricity within reach of your family and pets. Never climb trees near power lines. Even if the lines aren't touching the tree, they could come in contact when more weight is added to the branch.

Power quality and reliability: Trees are the leading cause of outages. These outages are costly and inconvenient. And because our distribution lines are only a part of a larger system, the tree in your yard could create problems for

hundreds or even thousands of people.

What can I plant? Before you plant, take into account the estimated size of your tree at maturity, and ensure that the drip line (outside the reach of the branches) is 15 feet away from the



power lines. When planting near a utility meter, make sure it remains accessible. Chickasaw Electric asks for your assistance in making sure our right-of-way is clear of obstructions as we strive to meet our obligation of providing you with safe, reliable electric service.

Know where we're working:

To see if we're working in your area, be sure to read *The Tennessee Magazine* and visit our website, CECPowerUp.com, to find out where our right-of-way crews are trimming trees.

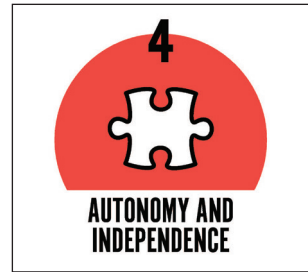


The Seven Cooperative Principles

Voluntary and Open Membership — Cooperatives are voluntary organizations open to everyone able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.



Autonomy and Independence — Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.



Democratic Member Control — Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting

rights (one member, one vote), and cooperatives at other levels are organized in a democratic manner.



Education, Training and Information — Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

Members' Economic Participation — Members contribute equitably to and democratically control the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.



Cooperation Among Cooperatives — Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.



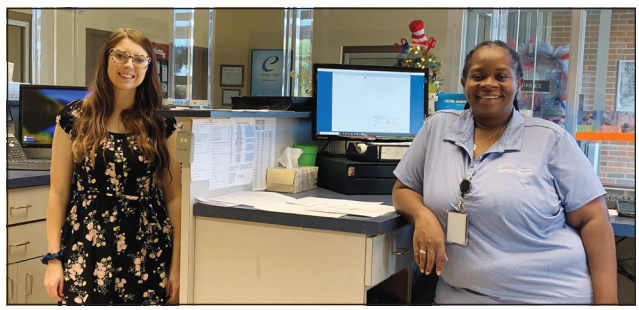
Concern for Community — While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

Treasurer's report

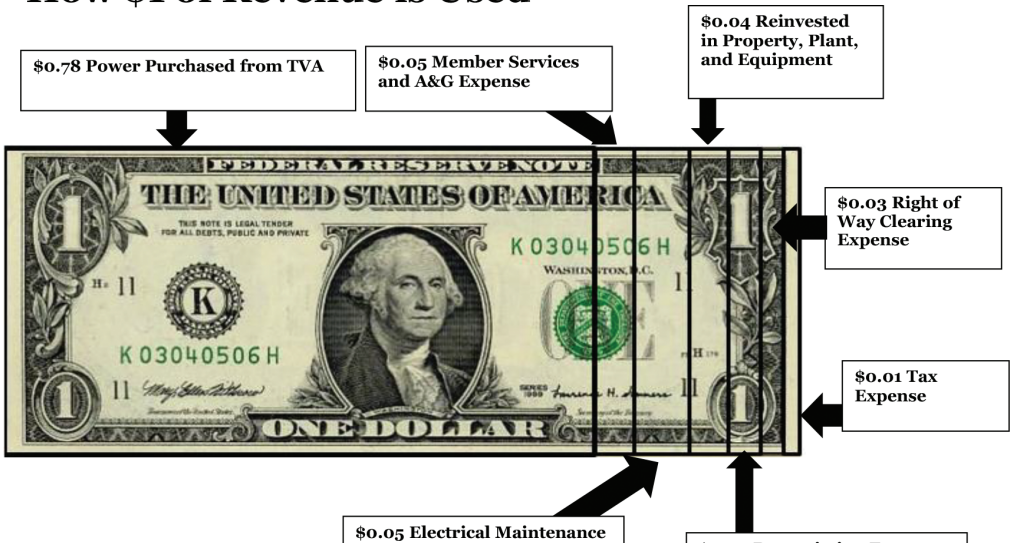
Assets	2022	2021
Utility plant (less depreciation)	\$37,972,136.04	\$35,666,404.82
Cash and investments	10,102,247.16	10,736,512.25
Accounts receivable	3,362,294.40	3,028,376.46
Electric material	1,632,325.20	390,362.34
Prepayments and other current assets	406,415.03	283,611.03
Deferred debits	—	—
Total assets	\$53,475,417.83	\$50,105,266.90
Liabilities		
Long-term debt	—	—
Accounts payable	5,201,126.41	3,994,077.84
Customer deposits	1,620,960.82	1,509,423.79
Taxes and other liabilities	858,026.08	935,000.20
Deferred credits	<u>437,127.60</u>	<u>523,269.66</u>
Total liabilities	\$8,117,240.91	\$6,961,771.49
Owners' equity:		
Membership fees	109,803.00	106,863.00
Retained earnings	<u>45,248,373.92</u>	<u>43,036,632.41</u>
Total owners' equity	\$45,358,176.92	\$43,143,495.41
Total liabilities and owners' equity	\$53,475,417.83	\$50,105,266.90

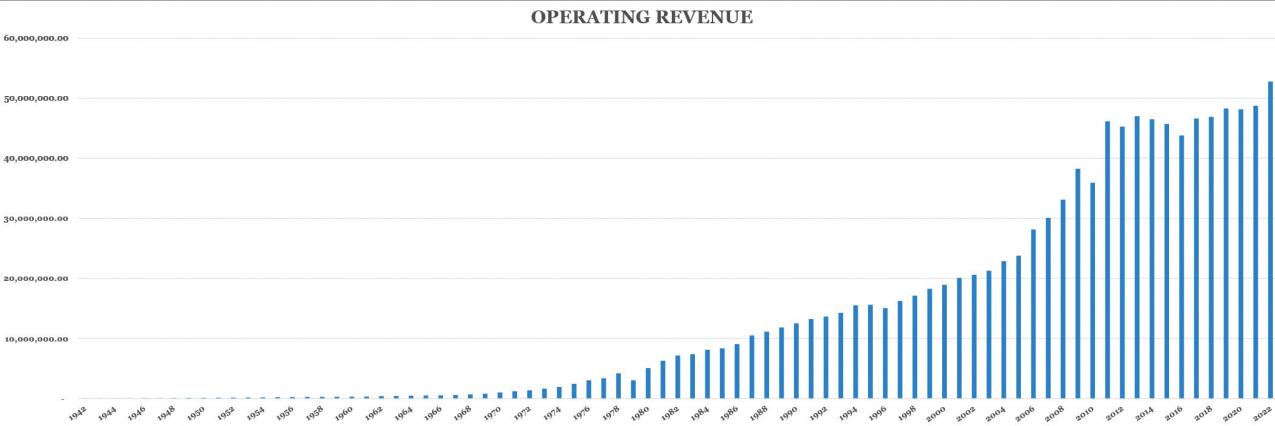
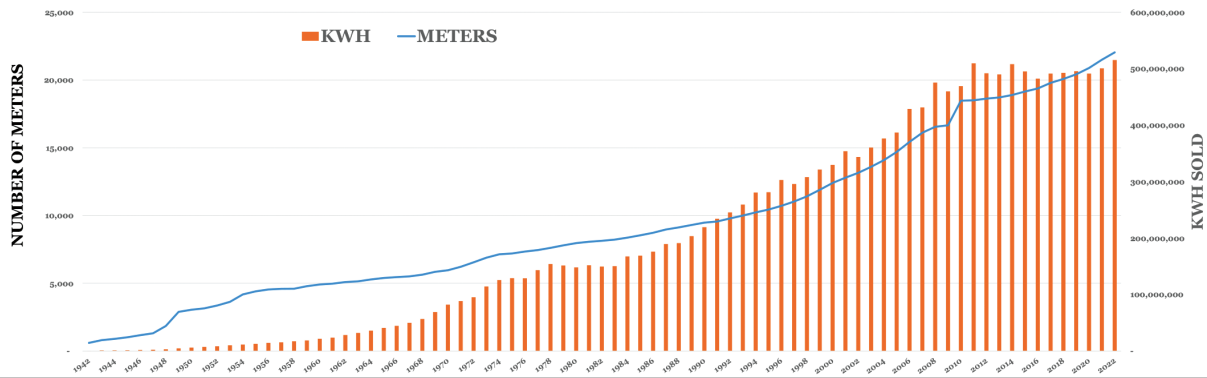
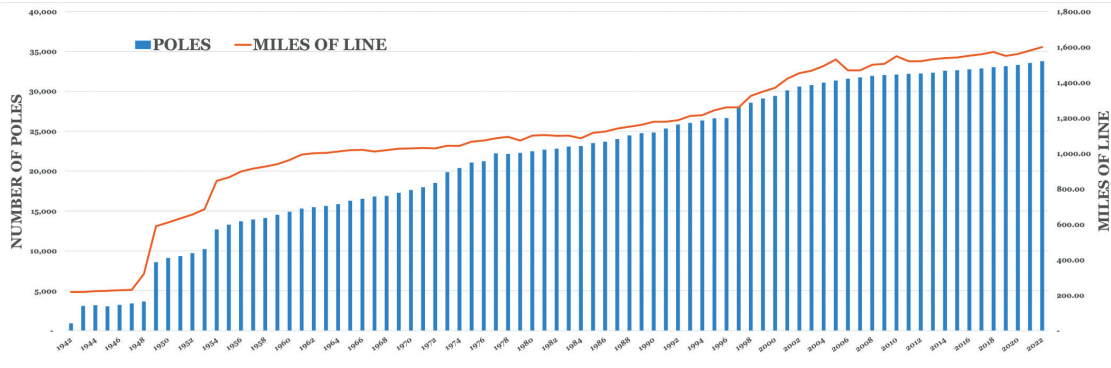
Income and expense statement

	2022	2021
Revenue		
Electric sales	\$51,469,253.10	\$47,214,160.11
Additional revenue on accounts	375,943.79	351,804.39
Other operating revenue	923,848.22	1,179,247.96
Other revenue	<u>44,391.74</u>	<u>128,878.53</u>
Gross revenue	\$52,813,436.85	\$48,874,090.99
Expenses		
Purchased power	\$41,272,940.36	\$37,653,821.80
Operating and maintenance	7,051,356.46	6,251,118.41
Depreciation and taxes	<u>2,277,398.52</u>	<u>2,441,006.27</u>
Total expense	\$50,601,695.34	\$46,345,946.48
New income used for new plant additions	\$2,211,741.51	\$2,528,144.51



How \$1 of Revenue is Used







Contact



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CECPowerUp.com



901-465-3591



Chickasaw Electric
Cooperative



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[Chickasawecoop](https://www.instagram.com/Chickasawecoop)



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[Chickasaw EMC](https://www.youtube.com/ChickasawEMC)



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