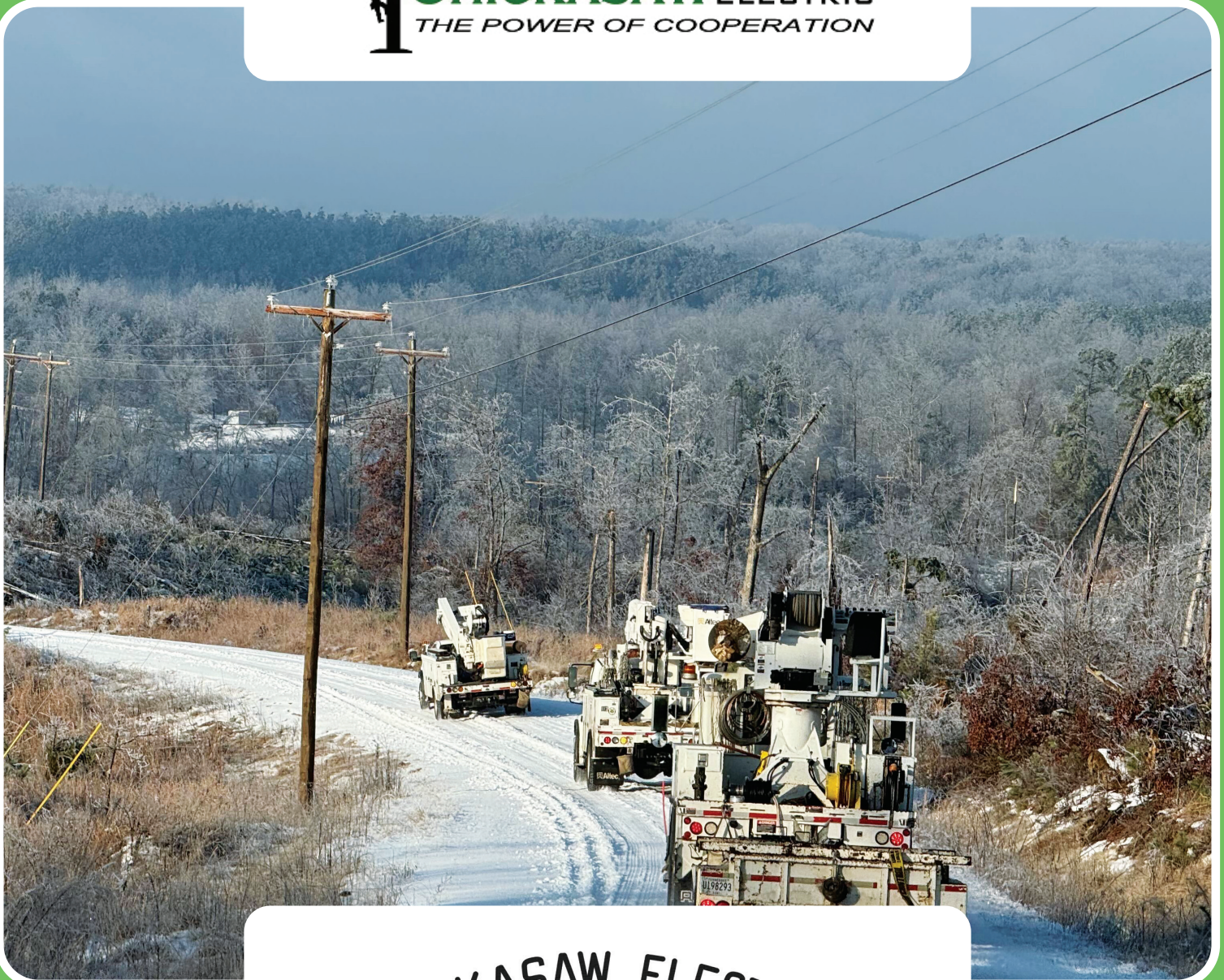




CHICKASAW ELECTRIC
Co. (RZA) oP.

cecpowerup.com



2026
ANNUAL REPORT

YOUR BOARD OF DIRECTORS



Chip Reeves
District 1
Re-elected



Bill Walker
District 2



Mary Lou Thomas
District 3
Re-elected



Gordon Tomlin
District 4



Phil Burrows
District 5



John Hurdle
District 6



Vip Lewis
District 7



Royce Reeves
District 8
Re-elected



Matthew Armour
District 9

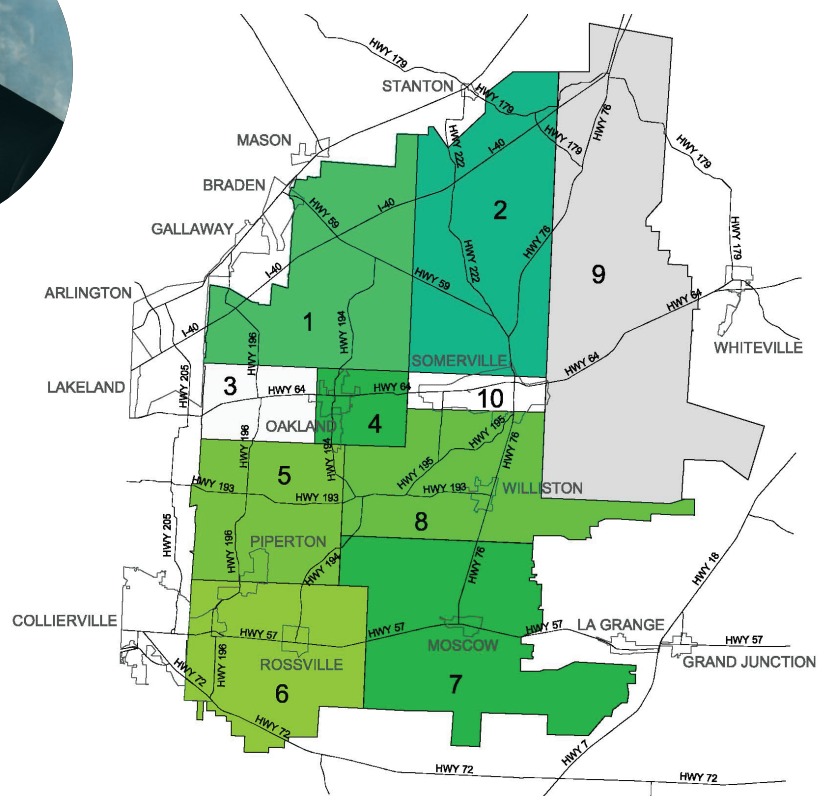


Bill Rhea
District 10



Tom Minor
Attorney

BOARD DISTRICTS



Dear Members and Friends of Chickasaw Electric Cooperative

It is with great pride and sincere appreciation that I present this year's annual report for Chickasaw Electric Cooperative. As members of this electric cooperative, you are more than customers — you are owners, partners and the foundation of everything we do.

While the cooperative has evolved greatly over the past 86 years, our core mission remains unchanged: to provide safe, reliable and affordable service to our members.

Over the past year, we have continued making substantial investments in the reliability and strength of our electric system. We have replaced aging poles and conductors, upgraded equipment and enhanced our right-of-way maintenance program. These investments have significantly improved system reliability and strengthened our ability to serve a growing membership. Maintaining and improving our electric system will remain among our highest priorities as we plan for the future.

In addition to providing electricity, we are proud to offer high-speed fiber broadband internet in partnership with Aeneas. Much like the early days of rural electrification, we recognized that many of the communities we serve lacked access to reliable, high-speed internet. In late 2024, with assistance from state of Tennessee grants, we began construction of our fiber network. Today, we have more than 1,551 miles of fiber and serve more than 5,000 members, with new connections being added every day.

Our goal is simple: to ensure that our members have access to fast, dependable internet service for years to come. Beyond broadband service, our fiber network also provides critical communications infrastructure for Chickasaw Electric's advanced electric grid, helping us improve system monitoring, outage response and reliability. This investment reflects our continued commitment to using technology and innovation to improve the quality of life in the communities we serve.

None of these accomplishments would be possible without our employees. From our linemen, right-of-way crews, fiber technicians, metering personnel, engineers, service personnel, safety personnel and shop employees to our office and support staff, our employees work tirelessly to provide the highest level of service 24 hours a day, 365 days a year. Their dedication, professionalism and expertise are the driving force behind our success, and I am grateful for the outstanding team that serves our membership each day.

Most importantly, thank you to you, our members, for your continued trust and support. Your participation and engagement help shape the success of this cooperative. For 86 years, Chickasaw Electric has been built around neighbors serving neighbors, and that cooperative spirit remains just as important today as it was when our first lines were energized.

We are proud of what we have accomplished together, and we are excited about what lies ahead. We will continue investing in our electric system, embracing new technology, strengthening reliability and working every day to provide the dependable and affordable service our members expect and deserve.

Thank you for being an essential part of the Chickasaw Electric family. We look forward to serving you for many years to come.

Sincerely,

Loyd Muncy



Loyd Muncy
General Manager



ENGINEERING & OPERATIONS

Access to fast, reliable internet is no longer a luxury — it's a necessity. In partnership with Aeneas, we understand how vital our engineering and operations departments are the backbone of Chickasaw Electric, ensuring the reliable and sustainable delivery of electricity to more than 23,590 meters across our service territory. From planning and designing system improvements to restoring power during outages, these dedicated employees work together to keep our electric system safe, efficient and dependable.

Our engineering team includes a project manager, field staking technicians, facilities coordinators, locators and substation technicians who help design, maintain, and improve our power distribution system. They plan for future growth, oversee major construction projects, troubleshoot system issues, ensure compliance with safety and regulatory standards, and assist members with new construction and service installations.

While our engineering team designs and plans the system, our operations team brings those plans to life and keeps the lights on every day. Member service representatives, lineworkers, right-of-way crews, fiber technicians and metering personnel work together to construct new power lines, install poles and meters, inspect and maintain equipment, and

respond quickly to outages. They also oversee critical programs such as vegetation management and pole inspections, helping ensure the long-term reliability of our electric system.

Owned by those we serve since 1940, Chickasaw Electric has been providing safe, reliable electricity to our members for 86 years. Maintaining that level of service requires continuous investment in our electric system through regular maintenance, inspections, upgrades and proactive planning. Safety and reliability are not achieved by chance — they result from the daily efforts of employees who work diligently behind the scenes to keep the system operating at its best.

Whether performing routine maintenance, restoring service after severe weather or supporting new development across our communities, these employees demonstrate an unwavering commitment to the members we serve.

Our teams are among the best in the industry, standing ready to respond 24 hours a day, seven days a week, 365 days a year — even in the most challenging weather conditions. Their dedication, expertise and commitment to service help ensure that Chickasaw Electric continues to provide safe, reliable power to our members today and for generations to come.

Chickasaw Electric Quick Facts

- Safe, Reliable, Affordable Electricity
- 34,561 Poles
- Vegetation is the No. 1 Cause of Power Outages
- 530,525,129 Total kWh Sold
- 330 Hours Since Last Lost-Time Accident
- 10 Board Members
- 85 Dedicated Employees
- Formed in 1940
- 1,665 Miles of Electric Line
- 10 Substations
- 1,426 Miles of Overhead Line
- 349 Pole Changes Performed
- 852 Cumulative Years of Experience
- 23,590 Electric Members
- 400 Miles of Right-of-Way Cleared
- 1,421 Average Monthly Residential kWh Use
- Over 5,000 Fiber Members
- 290 Security Lights Installed
- 1,551 Miles of Fiber Line
- 305 New Locations Added to the Cooperative Since Last Year
- 330 Security Lights Repaired
- Member-Owned
- 20,004 Residential Members
- 246 Miles of Underground Line



ELECTRIC SYSTEM UPDATE

Chickasaw Electric continues to experience steady and significant growth across its service territory. During the past year, the cooperative added 305 new member service locations, bringing total membership to 23,590. This continued growth requires ongoing investment in the electric system to maintain the safe, reliable and dependable service our members expect.

To support this growth, Chickasaw Electric installed approximately 550 new electric poles during the year. The cooperative now maintains 1,665 miles of electric distribution line, including 1,426 miles of overhead line and 246 miles of underground cable. In addition, 290 security lights were installed, and 330 were repaired throughout the system. As electric demand continues to increase, Chickasaw Electric has also begun planning for the construction of two new distribution substations to provide additional capacity and support future growth.

Economic development continues to play an important role in the expansion of our electric system. Chickasaw Electric recently secured a significant new load associated with an Amazon facility in Byhalia, Mississippi. To serve the facility, the cooperative upgraded the existing electric infrastructure supplied from the Piperton Substation. The project includes the addition and reconductoring of circuits along Del Stover Drive to increase capacity and improve reliability. Once completed, the upgraded system will be capable of delivering approximately 10 megawatts of power to the Amazon facility. Design and engineering work for the project are currently underway.

Another major milestone during the year was the construction on the new Red Banks Substation in Marshall County, Mississippi. The substation is being constructed to serve new electric vehicle battery manufacturing. The facility will manufacture batteries for the commercial transportation industry and will represent a significant new industrial load on the Chickasaw Electric system.

Chickasaw Electric is preparing to deliver approximately 84 megawatts of power to the facility through the new Red Banks Substation, located east of Highway 72 near Curl Road. In addition to serving this major industrial development, the investment will strengthen the electric system and provide additional capacity to support future growth in the surrounding area.

Planning is also underway for a new substation to serve the area north of Interstate 40 near Highway 196, where significant commercial development is expected, including a new Buc-ee's location. Chickasaw Electric has secured the property needed for the substation, and engineering and construction plans are being developed.

Chickasaw Electric remains committed to staying ahead of the needs of a growing membership and an expanding regional economy. Through strategic investments in substations, distribution lines, poles, equipment and system capacity, the cooperative continues to strengthen reliability while preparing for future residential, commercial and industrial growth.

These investments ensure that Chickasaw Electric is well-positioned to continue providing safe, reliable and affordable electric service to our members for many years to come.



EDUCATION & TRAINING



As a member-owned cooperative, Chickasaw Electric is built on the principles of service, accountability and community development. To maintain the highest standards of reliability and safety, continuous education and training are essential. By investing in the knowledge and skills of our employees, board members and member-owners, we ensure our cooperative remains prepared to meet today's challenges and seize tomorrow's opportunities.

Safety remains our highest priority. It is critical not only for our lineworkers, right-of-way (ROW) crews, engineers, fiber technicians and field personnel but also for our office staff and the members we serve. Throughout the year, employees participate in ongoing safety meetings, training programs and certification courses designed to reinforce safe work practices. Our in-house safety coordinator works diligently to ensure employees have the proper training, equipment and personal protective gear necessary to perform their jobs safely and effectively.

Before any work begins, our line, fiber and ROW crews conduct job briefings, commonly known as tailgate meetings, to review the tasks ahead and identify potential hazards. In addition, all employees receive training in CPR, first aid, AED operation and emergency response procedures, ensuring they are prepared to respond when emergencies arise.

Our commitment to education extends beyond our workforce and into the communities we serve. Through our High-Voltage Demonstration Trailer and electrical safety presentations, community members gain a firsthand understanding of the power distribution system and the dangers associated with electricity. These demonstrations teach valuable safety practices, including staying clear of trees near power lines and knowing how to respond if a vehicle accident brings down electrical lines. In such situations, the safest course of action is to remain inside the vehicle until trained utility personnel arrive and de-energize the lines.

Chickasaw Electric also partners with local schools to educate students about electrical safety and the vital role electricity plays in their everyday lives. By promoting awareness at an early age, we help build safer communities and encourage responsible energy use.

By fostering a culture that values education, professional development and safety, Chickasaw Electric ensures that our employees remain knowledgeable, innovative and prepared to provide safe, reliable service for generations to come.

YOUTH LEADERSHIP & YOUNG LEADERS

Investing in our communities means investing in the next generation of leaders. Through educational programs, leadership development opportunities and school partnerships, Chickasaw Electric remains committed to strengthening the foundation our members depend on today and in the future.



on look at state government while helping them develop leadership, communication and networking skills. Participants also gain a greater understanding of the cooperative business model and the important role electric cooperatives play in serving their communities.

We also work closely with local schools to encourage participation in the Tennessee Valley Authority's EnergyRight School Uplift and STEM Grant programs. These initiatives provide valuable funding and resources that support energy

As part of that commitment, Chickasaw Electric sponsors local students to participate in the Youth Leadership Summit in partnership with the Tennessee Electric Cooperative Association. This annual event provides students with a hands-

efficiency, technology and innovative learning opportunities for students.

This year, LaGrange-Moscow Elementary School earned an



impressive \$25,000 through the TVA EnergyRight School Uplift Program, recognizing the school's outstanding commitment to energy management

and community engagement. In addition, Fayette Academy and Rosville Christian Academy each received \$5,000 through the TVA STEM Grant Program to support science, technology, engineering and mathematics education.



By supporting educational opportunities and leadership development, Chickasaw Electric is helping prepare future generations for success while continuing to strengthen the communities we proudly serve.

Maintenance = Reliability

Right of Way/Vegetation Management

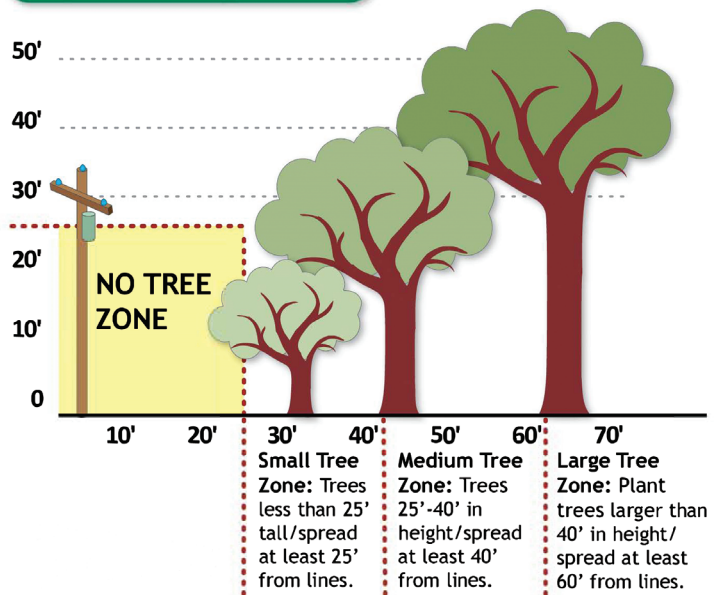
Electric cooperatives play a vital role in delivering reliable electricity to their member-owners, often across large rural service territories. One of the most important factors in maintaining that reliability is a strong and well-managed right-of-way (ROW) program.

Trees and vegetation are among the leading causes of power outages on electric distribution systems. During storms, high winds, ice events and even heavy rainfall can cause limbs — or entire trees — to come into contact with power lines, resulting in service interruptions and safety hazards.

By routinely trimming trees and managing vegetation growth along power line corridors, Chickasaw Electric significantly reduces the risk of outages and helps ensure the safe, reliable delivery of electricity to our members. Proactive right-of-way maintenance also allows crews to access power lines more quickly when repairs are needed, reducing restoration times during outages.

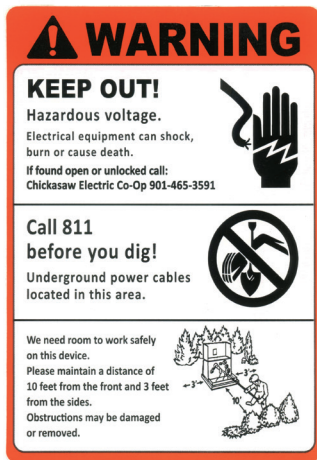
A well-maintained right-of-way program not only improves system reliability but also enhances public safety and helps protect the long-term integrity of the electric distribution system. Through ongoing vegetation management efforts, Chickasaw Electric remains committed to providing dependable service while safeguarding the communities we serve.

Tree Planting Guide



cecpowerup.com

PAD-MOUNT TRANSFORMERS



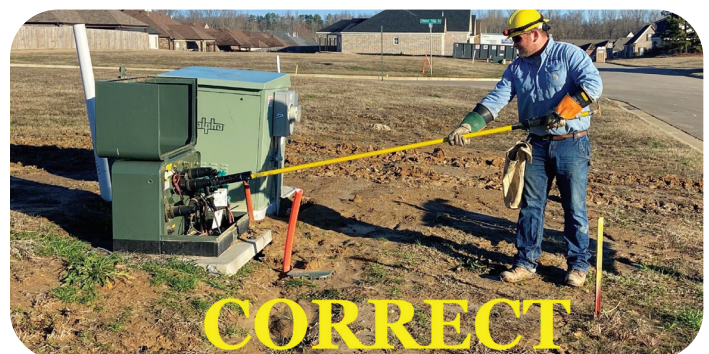
Working with the voltage inside a transformer cabinet is difficult and dangerous enough. Competing with vegetation that can grow into and around the transformer adds to that danger. Plants can send roots into equipment, causing problems. Plants also attract creatures like snakes, termites and even fire ants, which pose a risk to the equipment and to lineworkers trying to reach the transformer for repairs. In addition to

potentially being a contributing factor to an outage, landscaping adds time because it must be removed before crews can work safely to locate problems and restore service.

Why does there have to be a clearance of 10 feet from the front and 3 feet from all sides of the pad-mount transformer?

Airflow and plant growth are the two primary reasons for the clearance. Good airflow around the equipment is necessary for it to maintain the correct temperature. If the airflow is blocked, the temperature will rise, potentially causing the equipment to overheat and even leading to premature failure.

A well-maintained right-of-way program not only improves system reliability but also enhances public safety and helps protect the long-term integrity of the electric distribution system. Through ongoing vegetation management efforts, Chickasaw Electric remains committed to providing dependable service while safeguarding the communities we serve.



TREASURER'S REPORT

Assets

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Utility plant (less depreciation)			
Cash and investments	\$61,246,166.73	\$71,220,052.54	\$81,004,159.59
Accounts receivable	1,246,633.99	6,129,823.30	4,157,347.03
Electric material	4,022,926.07	3,658,229.63	4,439,384.38
Prepayments and other current assets	849,481.23	765,919.52	729,567.36
Deferred debits	338,654.02	412,380.60	382,446.18
Total assets	—	—	—
	\$67,703,862.04	\$82,186,405.59	\$90,712,904.54

Liabilities

Long-Term Debt	—	—	\$1,800,000.00
Notes Payable	\$10,340,000.00	\$23,735,000.00	\$29,799,013.65
Accounts payable	5,738,174.22	5,875,298.91	6,019,984.12
Customer deposits	2,410,245.95	2,160,842.63	2,193,997.22
Taxes and other liabilities	988,343.68	1,220,496.12	2,047,130.71
Deferred credits	866,246.30	754,126.89	574,258.74
Total liabilities	\$20,343,010.15	\$33,745,764.55	\$42,434,384.44

Owners' equity:

Membership fees	\$114,968.00	\$117,480.00	\$119,185.00
Retained earnings	47,245,883.89	48,323,161.04	48,159,335.10
Total owners' equity	\$47,360,851.89	\$48,440,641.04	\$48,278,520.10
Total liabilities and owners' equity	\$67,703,862.04	\$82,186,405.59	\$90,712,904.54

INCOME AND EXPENSE STATEMENT

Revenue:

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Electric sales	\$56,387,586.45	\$59,721,548.89	\$62,702,094.54
Additional revenue on accounts	419,325.36	446,488.46	477,307.39
Other operating revenue	1,179,314.52	2,304,590.73	3,454,555.89
Other Revenue	340,790.17	195,903.21	325,513.91
Gross Revenue	\$58,327,016.50	\$62,668,531.29	\$66,959,471.73

Expenses:

Purchased power	\$45,880,052.75	\$47,847,790.11	\$51,008,026.90
Operating and maintenance	8,909,048.01	10,413,489.32	10,351,416.57
Depreciation and taxes	2,982,343.94	3,329,974.71	5,763,854.20
Total expense	\$57,771,444.70	\$61,591,254.14	\$67,123,297.67

New income used for new plant additions	\$555,571.80	(\$163,825.94)	\$1,077,277.15
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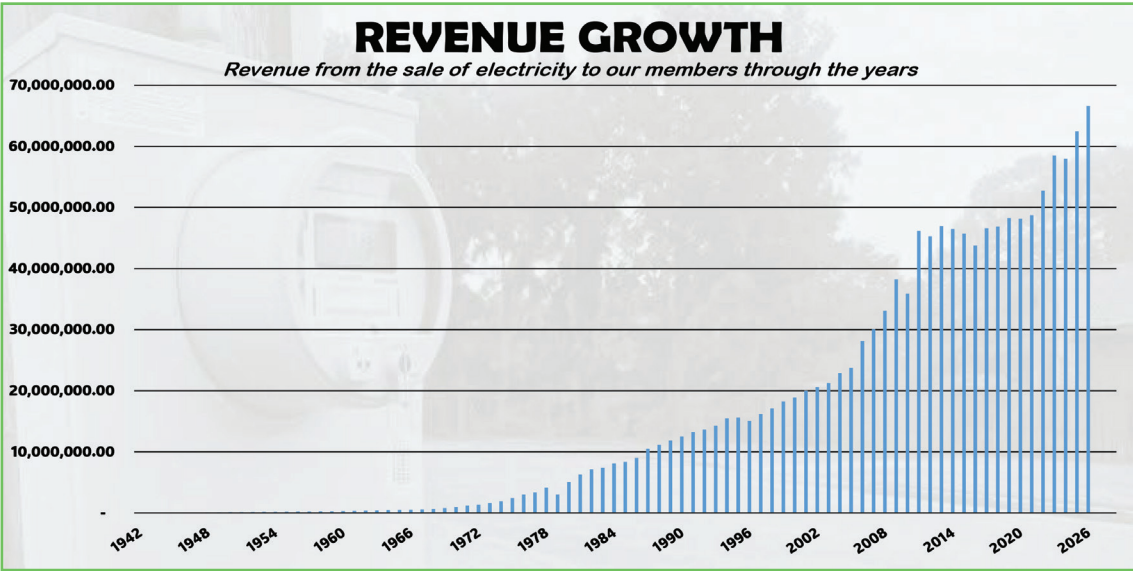
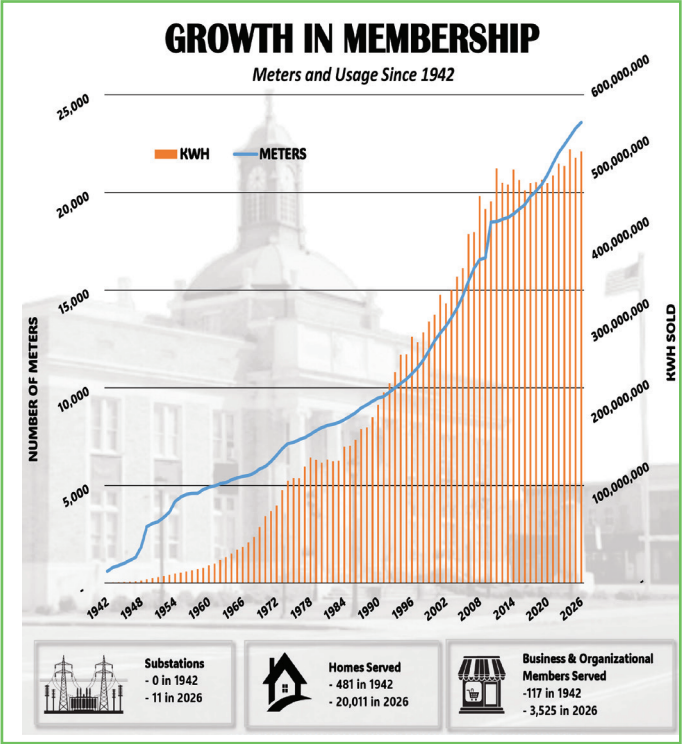
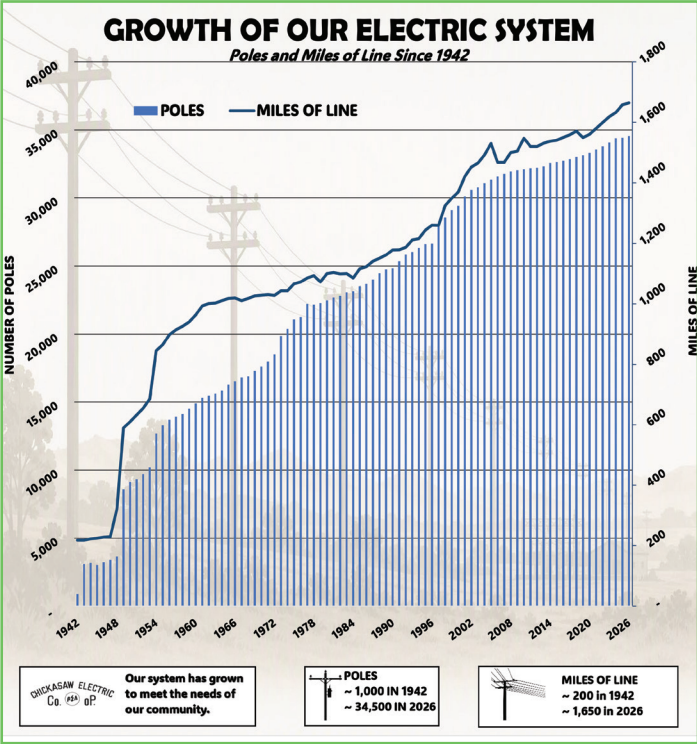
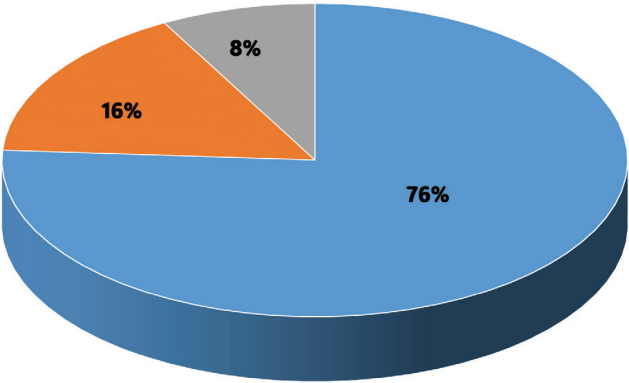
WHERE EVERY REVENUE DOLLAR GOES

For every \$100 of revenue collected, here's how it's used to power our community.



EXPENSE BREAKDOWN

- Purchased Power
- Operating & Maintenance
- Depreciation & Taxes





Our Mission

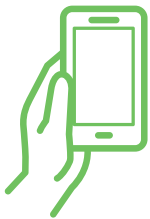
The power of cooperation to deliver solid, low-cost electricity to power our members into tomorrow.

CONTACT US!

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Somerville, TN 38068

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