

# 2024 ANNUAL REPORT



# Dear members and friends of Chickasaw Electric Cooperative

**A**s we reflect on the past year's achievements and chart the course ahead, I am filled with immense pride and gratitude. I am proud of the dedication and effort Chickasaw Electric employees put forth to serve you, our members. I am grateful for the opportunity to serve you as general manager and to have the privilege of leading such an outstanding organization.

## **Empowering communities**

Our commitment to empowering the communities we serve has never wavered. In partnership with Aeneas Internet Services, we continue our efforts to bring broadband internet service to our members, ensuring that no one is left behind. We understand how important broadband is to local initiatives, education and economic development projects that strengthen the fabric of our communities.

With over 1,364 members connected to broadband services, we continue to work on grant-funded projects.

While we wish these services were available to you today, we ask for your patience as supply chain issues and manpower will continue to be challenges for any broadband project.

## **Member-centric approach**

Chickasaw Electric's strength lies in our members, who are not customers but an integral part of our cooperative family. We continue to listen to your feedback, respond to your needs and provide innovative solutions to make your lives easier. From fiber and first-class employees to convenient online services, we are dedicated to delivering an exceptional member experience. I encourage you to visit our website where you can log in to your account, report outages, pay your bill and much more.

## **What does it mean to be a cooperative member?**

Beyond economic structure, a cooperative transcends transactions and creates a sense of belonging, unity and empowerment. To be a cooperative member is to embrace a uniqueness that extends far beyond the boundaries of a typical business agreement.

At its core, a cooperative is a symphony where each member plays an integral role. The concept of being a co-op

member is not limited to a mere financial investment; it's a commitment to shared values and a willingness to support and uplift one another. A co-op reminds us that our strengths multiply when we work together. As a cooperative member, you become a thread in the tapestry of cooperation, contributing to a community that values collaboration over competition.

Being a cooperative member means participating in a democratic process. Each voice matters, and decisions are made collectively, fostering a genuine sense of ownership. This is more than just having a say; it's having a stake in shaping the direction of the cooperative.

As a cooperative member, you are not a customer or a shareholder; you are a driving force behind a business that prioritizes people over profits. The cooperative's success is your success, and its challenges are your challenges. This intimate connection to the cooperative's journey empowers members to take charge, assume leadership roles and contribute to the community's growth.

Cooperative membership brings a sense of connection. You are not dealing with faceless corporations but engaging with fellow humans who are your friends and neighbors. The interactions among cooperative members foster genuine relationships built on trust and the mutual understanding that we are all in this together. From shared celebrations of success to collective problem-solving during rough patches, cooperative members become pillars of support for one another.

To be a cooperative member is to step into a world where your actions matter, your voice is heard and your dreams are intertwined with the dreams of others. It is a celebration of the human spirit's capacity to create meaningful change through togetherness, a celebration of the collective bringing power to the members that lights up both the electricity brought by the cooperative and the empowerment each member possesses.

*Lloyd Muncy*

General Manager

## *The cooperative model*

**W**e are grateful to have a dedicated team of 75 Chickasaw Electric employees sharing a cumulative 720 years of experience. Being local-living and working alongside our customer-members create a uniquely strong connection. We truly are, and we wholeheartedly embrace a commitment to serve you exceptionally well.

## *Board members, attorney and management team*



*Chip Reeves  
District 1*



*June Walker  
District 2*



*Mary Lou Thomas  
District 3*



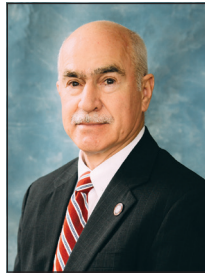
*Gordon Tomlin  
District 4  
Re-elected*



*Phil Burrows  
District 5*



*John Hurdle  
District 6*



*Vip Lewis  
District 7  
Re-elected*



*Royce Reeves  
District 8*



*Matthew Armour  
District 9  
Elected*



*Bill Rhea  
District 10*



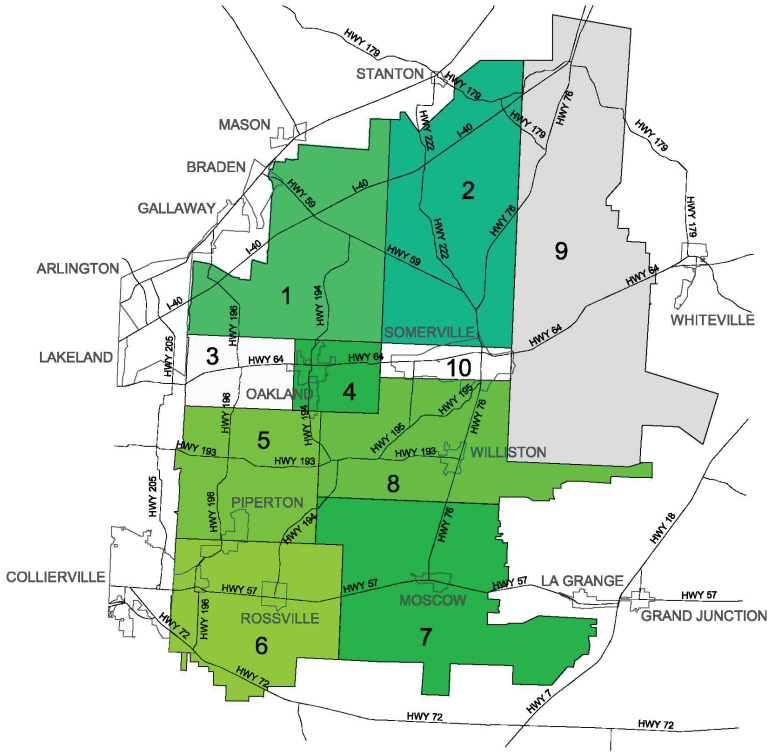
*Tom Minor  
Attorney*



*Loyd Muncy  
General Manager*



# Board districts



# *Electric system update*

**C**hickasaw Electric continues to experience steady growth. This past year, Chickasaw Electric added 426 new electrical service locations, bringing our total customer-membership count to 22,863. With this growth comes the need for Chickasaw Electric to quickly and reliably add infrastructure to the grid. Chickasaw Electric installed approximately 317 new electric poles and ran 40 miles of overhead wire to serve the majority of the new customer-members. Chickasaw Electric also has plans for three new electric distribution substations in the near future to serve the upcoming power demands.

This past year, Chickasaw Electric acquired and will serve a new electric vehicle battery production plant. The new plant will be located in Marshall County, Mississippi. Amplify Cell Technologies is a new company that has partnered with Paccar, Cummins and Dialmer Trucking to manufacture and produce EV batteries.

These new EV batteries will be used to power semitrucks in the transportation service industry. This news brings the need for more power. Currently, Chickasaw Electric is in the process of working with TVA on the construction of a new substation that will be located in Marshall County, east of the Highway 72 and Curl Road intersection. This new substation will allow Chickasaw Electric to serve the requested 84 megawatts to Amplify Cell Technologies. With this demand, Amplify Cell Technologies is projected to become Chickasaw Electric's largest purchasing member of distribution power.

Ford Motor Company's Blue Oval City, located in Stanton near the intersection of Interstate 40 and Highway 222, continues to grow rapidly. With this growth, Chickasaw Electric has plans for a new substation. The new substation will be named South Ford Station and will be located south of Blue Oval City in Stanton. The need for this substation comes from the rapid growth plans around the Blue Oval City area. These include a new Tennessee College of Applied Technology (TCAT) training facility and a new Pilot Travel Center located off Highway 222.

Another Chickasaw Electric service territory that is in need of a new electric substation is the area north of Interstate 40 and Highway 196. Chickasaw Electric has confirmed that this will be the new site for the expected Buc-ee's convenience store. Chickasaw Electric is in the process of procuring land for this new substation and plans to start construction soon.

Recently, we completed a line upgrade/reconductor in Moscow. This upgrade took place on Highway 57, east of the Lagrange-Moscow Elementary School to the end of Chickasaw Electric's service territory. This new upgrade will help ensure reliable power and increase the electrical capacity to accommodate any new growth in the area.



## **Chickasaw Electric facts**

- Member-owned electric distribution cooperative
- Employees: 75
- Board members: 10
- Serves power to over 22,863 members in Fayette, Hardeman and Haywood counties in Tennessee and parts of Benton and Marshall counties in Mississippi.
- 19,353 of the members served are residential.
- Formed in August 1940.
- Maintains more than 34,391 poles and 1,632 miles of line.
- Operates 10 substations.
- Has the lowest rates among the 22 other electric cooperatives across TVA's service area.

## Youth leadership

**Y**outh leadership in a cooperative means young people stepping up to shape the cooperative's future while staying true to its core values. They learn about how cooperatives work and improve their skills, following the cooperative principle of Education, Training and Information. These young leaders also contribute to their communities, taking action to address local needs and issues, which aligns with the cooperative principle of Concern for Community. By doing this, they bring fresh ideas and energy, ensuring the cooperative grows in a way that benefits everyone.

## Youth Leadership Summit

The Youth Leadership Summit is a partnership between Chickasaw Electric and the Tennessee Electric Cooperative Association to promote leadership within our state. Delegates to the annual event receive a hands-on look at state government, learn networking and leadership skills and develop a better understanding of electric cooperatives.



Two delegates from a high school in our service territory are chosen by their guidance counselors and principal to participate. This year, the delegates were Fayette Academy's Allie Reese Herzke and Logan Irons.

*Left: Youth Leadership Summit students pose in front of Tennessee's Capitol Building in Nashville.*

*Right: Logan Irons and Allie Reese Herzke*



## Washington Youth Tour

The Washington Youth Tour, sponsored by Chickasaw Electric and the Tennessee Electric Cooperative Association, provides young leaders with an opportunity to explore Washington, D.C. Students tour former presidents' homes, visit numerous memorials and monuments and network with delegates from other electric cooperatives.

Chickasaw Electric sent two high school juniors on the tour. Each year,



the students are selected based on short stories written on the chosen theme. This year's Washington Youth Tour winners were Abbi Tucker of Fayette Academy and Maddie Long of Fayette Ware High School.

*CEC's Washington Youth Tour students Abbi Tucker, left, and Maddie Long, right, pose in front of the mansion at George Washington's Mount Vernon.*

# Why we trim trees

There are a lot of things in life we take for granted — that the sun will always rise in the east, that the warmth of spring will follow the cold of winter and that the lights will come on when we flip the switch. Electricity is such an integral part of our modern lives that we don't realize how much we depend on it until there are no lights in the darkness, no heated water and no TV for binge-watching your favorite show or catching the big game.

A big part of maintenance efforts is actually preventive measures — keeping the right-of-way clear of trees and other vegetation that can lead to power outages.

At Chickasaw Electric, we are committed to ensuring that inconvenient or dangerous power outages are kept to a minimum. In fact, we maintained an uninterrupted power supply 99.9% of the time last year. This level of reliability is not accidental. We invest in new equipment, employee training and system maintenance. A significant part of these efforts is preventive measures such as keeping the rights-of-way clear of trees and other vegetation that can cause power outages.

Right-of-way maintenance is one of Chickasaw Electric's most significant expenditures. We maintain close to 1,618 miles of line, and last year, we spent \$1.86 million keeping trees and other vegetation safe distances from power lines. We trim 15 feet on each side of our power lines to clear

hazards such as limbs that could touch the lines during windy conditions, dead limbs or trees that could fall on the lines, or other vegetation that could make it difficult for crews to make repairs.

A clear right-of-way is essential for safety reasons and to keep the lights on. Trees and vegetation have a lot of water, which makes them conductors of electricity. If they come in contact with a power line, it creates a significant hazard to people and pets. The safety of our consumer-members and employees is our No. 1 priority.

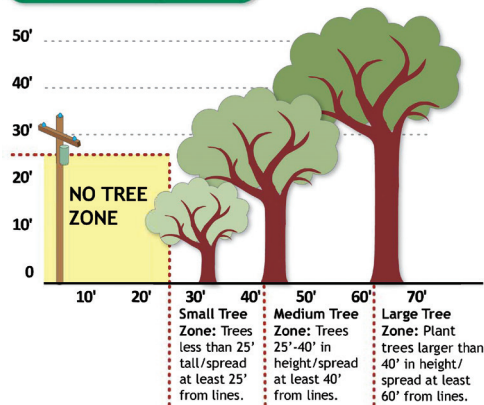
Maintaining a clear right-of-way not only helps us keep the lights on but also keeps your electric rates low. Our residential electric rate is 33% below the national average, and we aim to maintain this.

Tree-related power outages often lead to broken poles and wires that require replacement, causing delays in restoring electricity and incurring overtime hours and equipment replacement costs. These expenses can significantly impact your electric bill.

We will do everything possible to guarantee the safe and reliable flow of power to our consumer-members, but your role is crucial. By allowing our crews access to your property for necessary right-of-way maintenance and being mindful of your landscaping choices, you are actively contributing to our collective safety and the reliability of our power supply.

By working together, we can keep our community safe, the lights on and our costs low.

## Tree Planting Guide



# The Seven Cooperative Principles

**Voluntary and Open Membership** — Cooperatives are voluntary organizations open to all persons 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.

**Members' Economic Participation** — Members contribute equitably to and democratically control the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative, setting up reserves, benefiting members in proportion to their transactions with the cooperative and supporting other activities approved by the membership.



**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.

**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

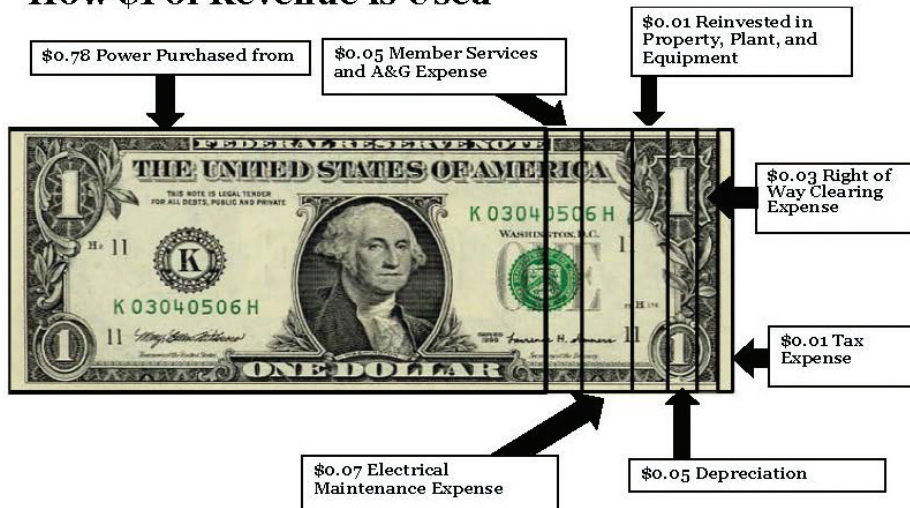
	2024	2023
<b>Assets</b>		
Utility plant (less depreciation)	\$61,246,166.73	\$44,243,841.53
Cash and investments	1,246,633.99	7,729,698.76
Accounts receivable	4,022,926.07	3,107,065.14
Electric material	849,481.23	1,069,368.16
Prepayments and other current assets	338,654.02	542,682.36
Deferred debits	—	—
<b>Total assets</b>	<b>\$67,703,862.04</b>	<b>\$56,692,655.95</b>
<b>Liabilities</b>		
Long-term debt	\$10,340,000.00	—
Accounts payable	5,738,174.22	5,162,662.45
Customer deposits	2,410,245.95	3,071,601.22
Taxes and other liabilities	988,343.68	1,078,851.97
Deferred credits	<u>866,246.30</u>	<u>576,560.22</u>
<b>Total liabilities</b>	<b>\$20,343,010.15</b>	<b>\$9,889,675.86</b>
<b>Owners' equity:</b>	<b>\$114,968.00</b>	<b>\$112,668.00</b>
Membership fees	<u>47,245,883.89</u>	<u>46,690,312.09</u>
Retained earnings	\$47,360,851.89	\$46,802,980.09
<b>Total owners' equity</b>		
<b>Total liabilities and owners' equity</b>	<b>\$67,703,862.04</b>	<b>\$56,692,655.95</b>

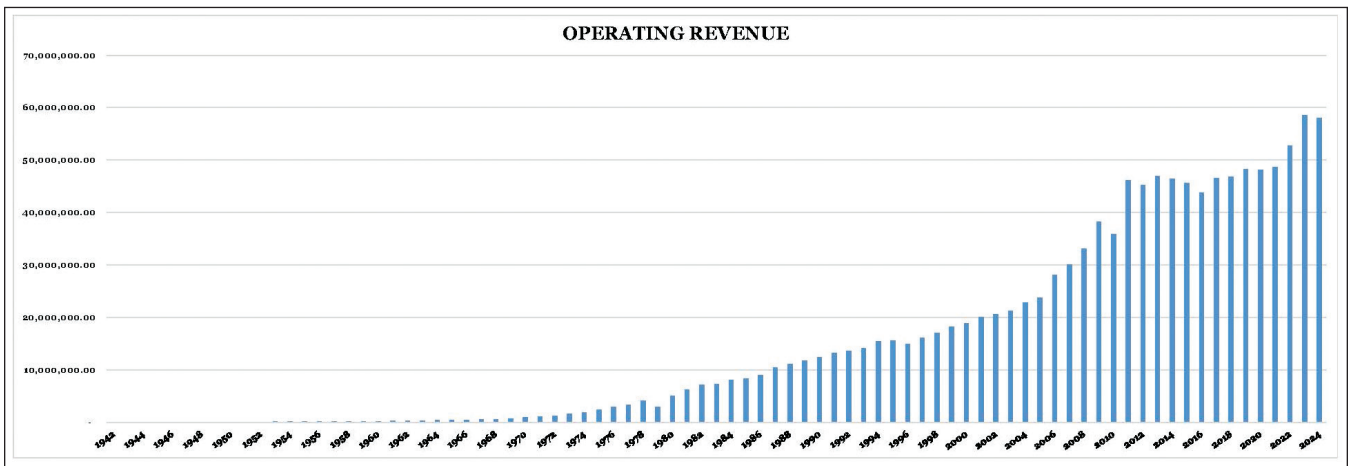
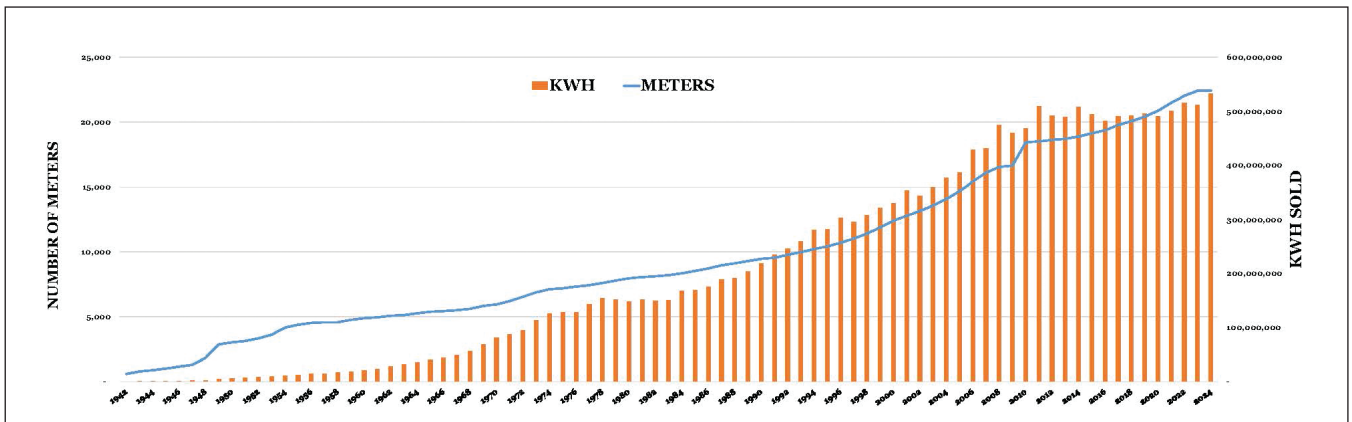
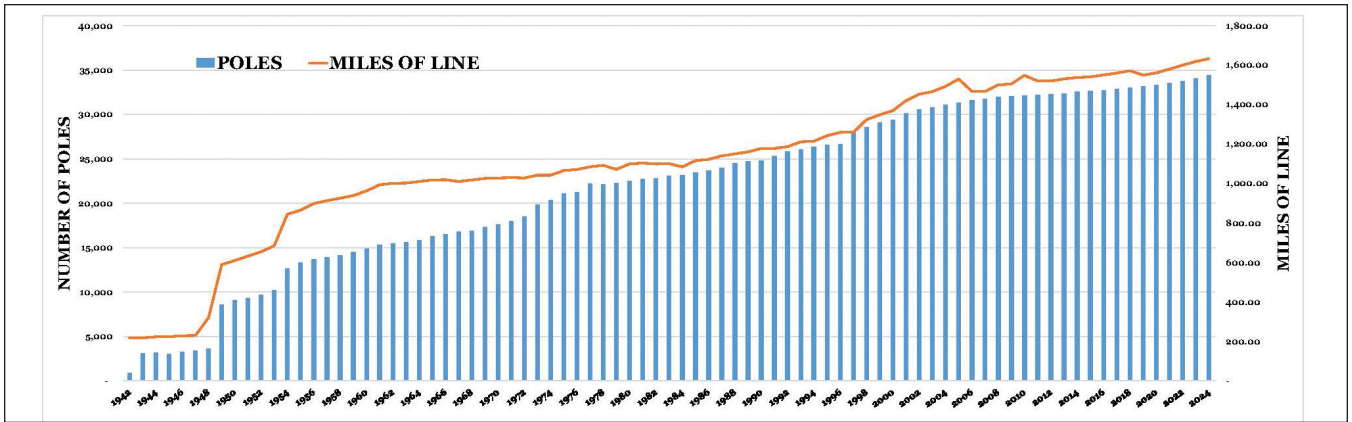
## Income and Expense Statement

	2024	2023
<b>Revenue</b>		
Electric sales	\$56,387,586.45	\$57,075,242.88
Additional Revenue on Accounts	419,325.36	451,167.96
Other operating revenue	1,179,314.52	980,512.11
Other Revenue	<u>340,790.17</u>	<u>377,013.26</u>
<b>Gross Revenue</b>	<b>\$58,327,016.50</b>	<b>\$58,883,936.21</b>
<b>Expenses</b>		
Purchased power	\$45,880,052.75	\$46,706,413.94
Operating and maintenance	8,909,048.01	8,031,601.72
Depreciation and taxes	<u>2,982,343.94</u>	<u>2,703,982.38</u>
<b>Total expense</b>	<b>\$57,771,444.70</b>	<b>\$57,441,998.04</b>
<b>New income used for new plant additions</b>	<b>\$555,571.80</b>	<b>\$1,441,938.17</b>



## How \$1 of Revenue is Used







## Contact



P.O. Box 459,  
17970 Highway 64 East,  
Somerville, TN 38068



[CECPowerUp.com](http://CECPowerUp.com)



901-465-3591



901-465-3591



CECPowerUP  
CEC Mobile App



Chickasaw Electric  
Cooperative



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[ChickasawECoop](https://twitter.com/ChickasawECoop)



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