

# 2023 ANNUAL REPORT



# To our customer-members

Every decision we make at Chickasaw Electric Cooperative is guided by one simple question: What's best for our customer-members? As the energy industry enters an era of transformation, we've found ourselves asking that question a lot lately.

Evolving member expectations, growing energy demand, improving renewable technology and other changes present cooperatives like Chickasaw Electric with the opportunity to make important decisions about the next several decades.

From small operational decisions to long-term planning, our goal is always to do what is in the best interests of the communities we serve. Good environmental stewardship, a diverse power supply, reliable infrastructure and a competitive workforce are all essential building blocks for fulfilling our mission and powering the future.

For Chickasaw Electric, powering the future means preparing for rapid growth in our service territory and providing our existing customer-members with dependable service and renewable energy options.

It also means building up and supporting a skilled workforce to help meet customer-members' needs as our cooperative continues to expand.

The energy industry is rapidly approaching an era of transformation. Improved technology has helped automate our operations to better serve customer-members. New equipment is being developed daily to help us work safer and more efficiently. Embracing these innovative approaches to functions of our cooperative keeps us moving forward in the right direction.

This past year has been marked by important transitions in our organization's workforce and infrastructure. The cooperative remains in a strong position to address the challenges of tomorrow and meet our mission to deliver solid, low-cost electricity to power our customer-members into tomorrow.

*Loyd Muncy*

Loyd Muncy  
General Manager



# The cooperative model

# Board Members, Attorney and Management Team

**W**e are grateful to have a dedicated team of 71 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.



*Chip Reeves*  
*District 1*  
**Re-elected**



*June Walker*  
*District 2*



*Mary Lou Thomas*  
*District 3*  
**Re-elected**



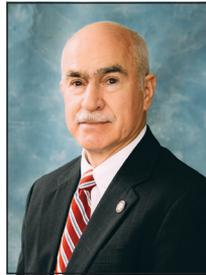
*Gordon Tomlin*  
*District 4*



*Phil Burrows*  
*District 5*



*John Hurdle*  
*District 6*



*Vip Lewis*  
*District 7*



*Royce Reeves*  
*District 8*  
**Re-elected**



*Howard Dowdy*  
*District 9*



*Bill Rhea*  
*District 10*



*Tom Minor*  
*Attorney*



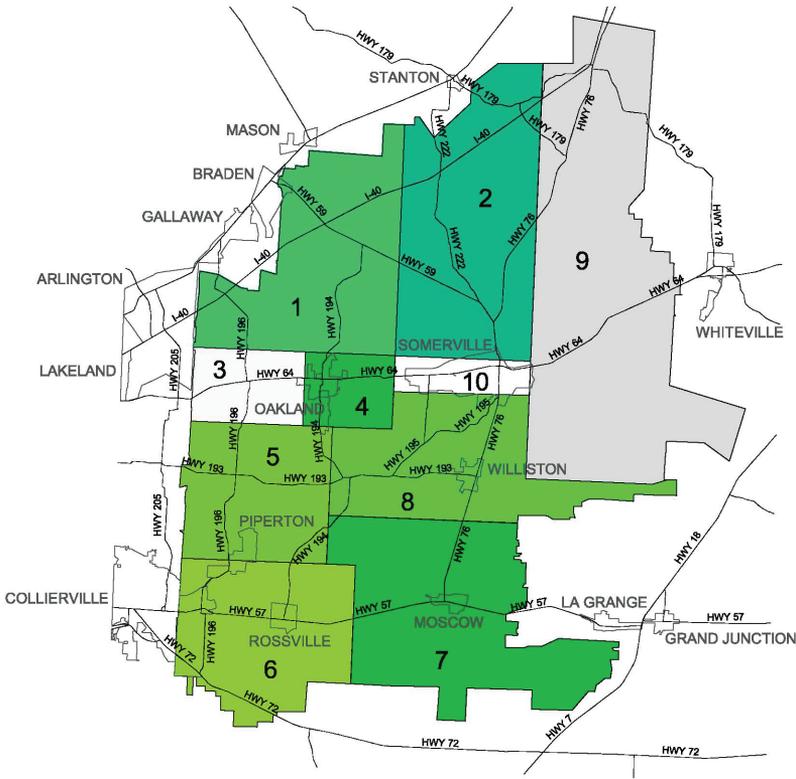
*Loyd Muncy*  
*General Manager*



*Glenn Fones*  
*Assistant Manager*



# Board districts





## Electric system update

Fayette County continues to experience steady growth. In 2022, we added 577 new locations, bringing our total customer-membership count to 22,389. With this growth comes the need to quickly and reliably add infrastructure to the grid. In 2022, we set approximately 284 poles and ran 34 miles of overhead wire to serve these new customer members.

In the Piperton area, we have completed a new substation and are currently constructing new electric distribution circuits. The addition of the new circuits will increase the capacity for the Gateway Global Logistic Center area, located north of Highway 72 in Marshall County, Mississippi. Chickasaw Electric anticipates this being an area of future growth for industrial power needs.

Blue Oval City, located in Stanton near the intersection of Interstate 40 and Highway 222, has also created many growth opportunities. Chickasaw Electric has upgraded nearly 9 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. At this time, Chickasaw Electric is in the process of property acquisition/land surveying for a future substation. The new substation will be located just southeast of the Ford megasite. This new substation will aid in the distribution of electricity to future developments and residents who are projected to move into this part of Chickasaw Electric's service territory.



## Chickasaw Electric facts

- Member-owned electric distribution cooperative.
- Employees: 71
- Board members: 10
- Serves power to over 22,432 members in Fayette, Hardeman and Haywood counties in Tennessee and parts of Benton and Marshall counties in Mississippi.
- 19,003 of the members served are residential.
- Formed in August 1940.
- Maintains more than 34,074 poles and 1,618 miles of line.
- Operates 10 substations.
- Has the lowest rates among the 23 electric cooperatives across TVA's Tennessee service area.

# Impacting our community

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 Writing Contest winners are, from left, Emily Farris, Rossville Christian Academy; Darby Self, Fayette-Ware High School; and Anna Payton Gaines, Fayette Academy.

# Member growth

This past year, Chickasaw Electric membership continued to see steady growth; more than 577 locations 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.



# Vegetation management

**K**eeping the lights on requires the right equipment and materials and the coordination of many skilled teams. One key component of a healthy distribution system, especially in terrain, is a solid right-of-way.

Investing in a strong right-of-way (ROW) program is necessary to provide reliable electricity to our customer-members. Chickasaw Electric spends about \$1.5 million a year to keep our right-of-way clear. In dense tree areas like ours, we have to stay on top of trimming and cutting to keep the lights on.

## Our plan:

Providing safe and reliable electricity to our customer-members is our goal, and that is why we do what we do. If an area is not trimmed, a green tree on a live wire can conduct electricity to the ground, causing a power outage or, worse, life-threatening danger to the public and our employees. Our right-of-way is 30 feet, so that means we trim 15 feet on each side of the pole. It's not always aesthetically pleasing, but it is necessary to keep the lights on.

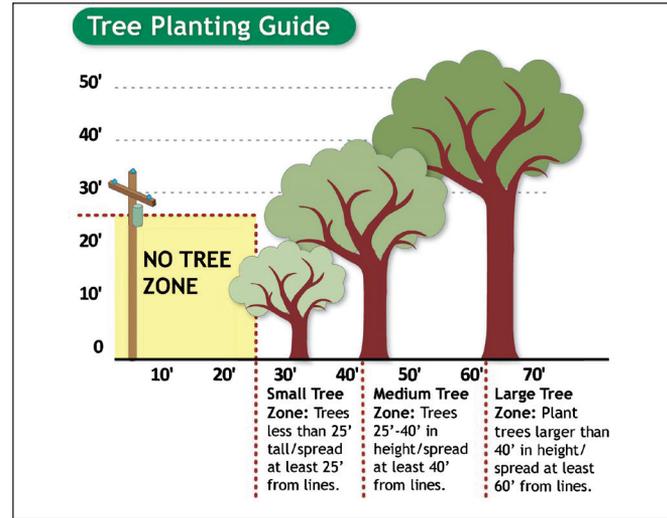
## A few reminders:

- Look up before you plant a tree. Are there power lines within 15 feet? If there are, the tree will probably have to be trimmed in the future.
- Research the species of trees you plan to plant on your property. How tall will the tree be at maturity? If the mature crown will be within 30 feet of the power lines, it will most likely have to be trimmed or cut in the future.
- Call 811 before you dig to ensure there are no buried utilities where you intend to dig.

- Do not plant flowers or shrubs underneath a utility pole or around a pad-mount transformer (“green box”). If utility workers need to access the equipment, plants might slow service restoration or present safety hazards, and your plants could be damaged.

## 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](http://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.



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**DEMOCRATIC  
MEMBER CONTROL**

## 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 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.



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**EDUCATION, TRAINING  
AND INFORMATION**

## 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.



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**CONCERN FOR  
COMMUNITY**

## 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

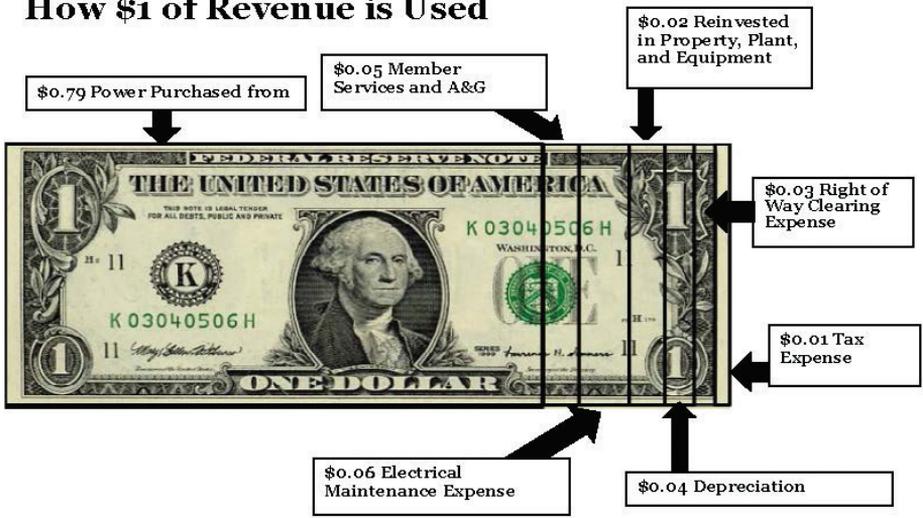
Assets	2023	2022
Utility plant (less depreciation)	\$44,243,841.53	\$37,972,136.04
Cash and investments	7,729,698.76	10,102,247.16
Accounts receivable	3,107,065.14	3,362,294.40
Electric material	1,069,368.16	1,632,325.20
Prepayments and other current assets	542,682.36	406,415.03
Deferred debits	—	—
<b>Total assets</b>	<b>\$56,692,655.95</b>	<b>\$53,475,417.83</b>
<b>Liabilities</b>		
Long-term debt	—	—
Accounts payable	5,162,662.45	5,201,126.41
Customer deposits	3,071,601.22	1,620,960.82
Taxes and other liabilities	1,078,851.97	858,026.08
Deferred credits	<u>576,560.22</u>	<u>437,127.60</u>
<b>Total liabilities</b>	<b>\$9,889,675.86</b>	<b>\$8,117,240.91</b>
<b>Owners' equity:</b>		
Membership fees	112,668.00	109,803.00
Retained earnings	<u>46,690,312.09</u>	<u>45,248,373.92</u>
<b>Total owners' equity</b>	<b>\$46,802,980.09</b>	<b>\$45,358,176.92</b>
<b>Total liabilities and owners' equity</b>	<b>\$56,692,655.95</b>	<b>\$53,475,417.83</b>

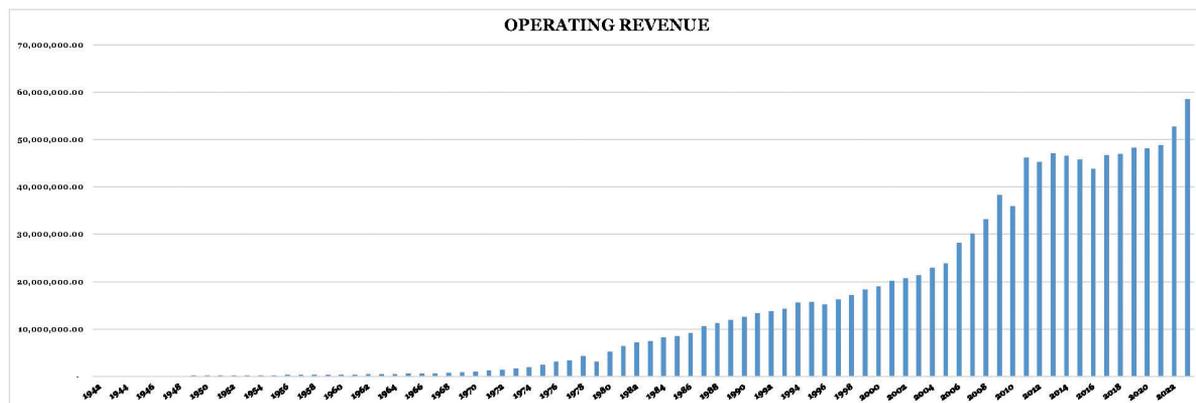
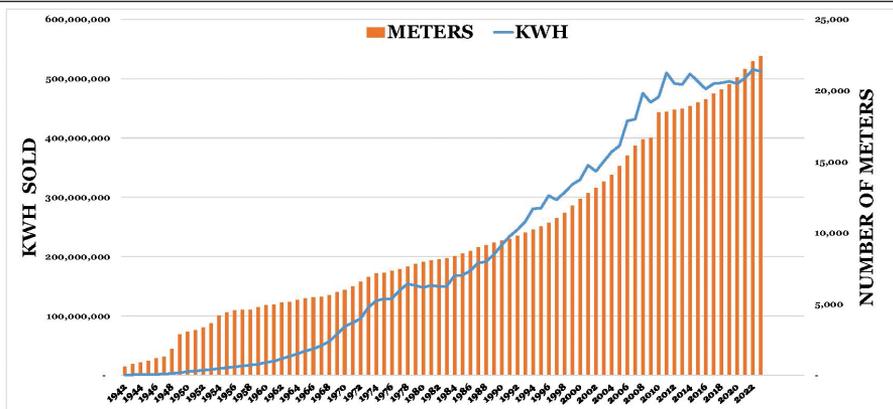
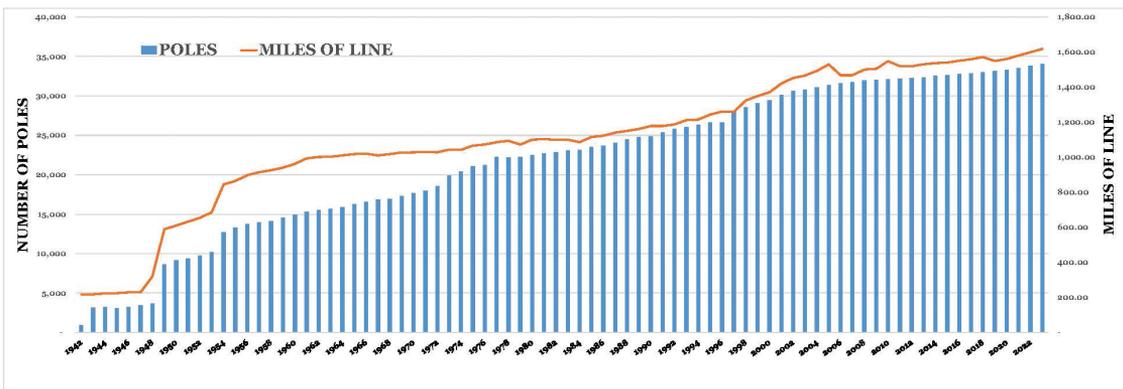
# Income and expense statement

Revenue	2023	2022
Electric sales	\$57,075,242.88	\$51,469,253.10
Additional revenue on accounts	451,167.96	375,943.79
Other operating revenue	980,512.11	923,848.22
Other revenue	<u>377,013.26</u>	<u>44,391.74</u>
<b>Gross revenue</b>	<b>\$58,883,936.21</b>	<b>\$52,813,436.85</b>
<b>Expenses</b>		
Purchased power	\$46,706,413.94	\$41,272,940.36
Operating and maintenance	8,031,601.72	7,051,356.46
Depreciation and taxes	<u>2,703,982.38</u>	<u>2,277,398.52</u>
<b>Total expense</b>	<b>\$57,441,998.04</b>	<b>\$50,601,695.34</b>
<b>New income used for new plant additions</b>	<b>\$1,441,938.17</b>	<b>\$2,211,741.51</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



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