


BUILDING A B R I G H T E R FUTURE

2020 Annual Report



**Gibson Electric
Membership Corporation**

® Your Touchstone Energy® Cooperative 



**GIBSON
CONNECT™**



An Alamo crew pulls an underground service and connects it to the transformer.

From left are First Class Lineworker John Spence, Apprentice Lineworker Brendon McGee, First Class Lineworker Jamie Moore and Service Crewleader Jeff Fox.

Front Cover: Line Crewleader Jason Mills observes the crew to ensure safety as they set a pole.

Building A Brighter Future

2020 is a year we will remember for its challenges and its successes.

It has been and continues to be a difficult time for our nation, our states and our communities. How we deal with adversity, however, defines us.

For Gibson Electric Membership Corporation, the dedication of our co-op team to respond in all kinds of conditions and at all hours of the day and night is proof of our resilient spirit.

The support and kindness shown by our board and employees toward one another and toward our consumer-members during 2020 was an equally impressive response. We have seen this kindness, support, strength and determination from our members, too.

Our cooperative, our members and our communities are resilient, and we share a vision for a brighter future.



Through assistance to members and communities

The economic consequences of the pandemic and related safety restrictions will be felt for a long time. From the beginning of this crisis, Gibson Electric Membership Corporation has worked with those who are struggling and has connected our members with resources to help. During 2020, we...

- Assisted members by providing bill payment flexibility, including additional arrangements and extensions;
- Suspended disconnections and accommodated members with extra time to pay past due balances;
- Identified and directed members who had difficulty paying their bills to agencies equipped to provide assistance;
- Partnered with our wholesale power supplier, the Tennessee Valley Authority, and CoBank to provide \$45,000 in nutrition assistance through 13 nonprofit agencies throughout the 12 counties we serve;

- Partnered with TVA to provide \$30,000 in energy assistance through three nonprofit agencies that serve all 12 counties;
- Organized a school supply drive for students and faculty at Trimble Elementary School; and
- Donated, through our employees' generosity, 2,004 pounds of non-perishable food to area food banks.

Commitment to community is in our cooperative's DNA, and the safety of our employees and members guides every decision we make. In fact, the COVID-19 crisis has increased our focus on keeping our members and employees safe.



Above right: Volunteers distribute food through a mobile food pantry in Alamo, Tenn. on Saturday, June 6.

Gibson EMC employees, at right, donated needed supplies to Trimble Elementary School. Gibson EMC employees pictured are in blue t-shirts. Far left: Member Service Representative Lois Milligan and Field Engineer Jeff Boyd. Far right: VP of Economic Development and Community Relations Emily Sullivan and Key Accounts Representative Cynthia McClure.





Through dedication to safety and reliability

We are pleased to report that during 2020 our Tiptonville, Alamo and Trenton employees achieved safety milestones. Tiptonville worked 52,045 hours, Alamo worked 69,199 hours and Trenton worked 339,218 hours without a lost-time accident.

We are equally driven to minimize power outages, which is why we steadily add equipment at key points throughout our electric system and use advanced technologies to monitor it. Our Supervisory Control and Data Acquisition System

receives real time information from this equipment and coordinates with our outage management system to identify problems early, dispatch personnel efficiently and restore service quickly.

In addition to monitoring our system, we also do ongoing maintenance to keep our system resilient. And our long-range plan sets out comprehensive ongoing improvements and additions to enhance service reliability. For example, in 2020, we completed the South Medina substation, a construction project that will enable us to serve



the growing Medina and Three Way areas well for years to come.

In 2020, Gibson EMC kept the lights on 99.953% of the time. One of the ways we maintain a high level of service reliability is through Gibson EMC's vegetation management program. Right-of-way maintenance is one of the co-op's biggest expenses.

In 2020 we spent \$3.7 million keeping the trees and other vegetation a safe distance from our 3,528 miles of electric lines. This cost jumped a massive \$2.4 million from 2018 to 2020. We have analyzed our program, and

we implemented steps to control this cost to the extent possible. Our growing vegetation management expense, however, will likely force us to implement a small rate increase in the not-too-distant future. Despite its cost, vegetation management is crucial. For us to deliver safe and reliable service, there can be no interference with or damage to our lines or other equipment.

We are committed to trimming trees and other vegetation in a safe and healthy way; and we are happy to say that Gibson EMC was named a Tree Line USA utility for its success in meeting Tree Line USA standards in 2020.



Substation Technician Jonathan Petty (bucket) and Substation Crewleader Charles Lamb perform work in Gibson EMC's new South Medina substation.



Through commitment to broadband access

We also are pleased to share the progress we made connecting members to high-speed, fiber-based internet service. Since Tennessee law changed in May 2017 to allow us to offer this service directly to our consumer-members, 16,000-plus members have registered for Gibson Connect service at join.gibsonconnect.com.

Since we began construction in June 2018, we have connected 7,800 members and built 1,925 miles of fiber in 14 zones and five counties. We also added Gibson Connect employees and



Wesley Cox, Fiber Installation/Repair Technician 2, installs a free, public WiFi hotspot at the Davy Crockett Cabin in Rutherford, Tenn.

contractors to speed the buildout, and we constructed hotspots throughout our service area to help provide access.

Still, we have about 1,600 miles of our fiber network left to build. In keeping with our original projections, we

estimate this expansive, time-intensive, and costly, but valuable, project will be completed in mid-2023.

To a large extent, our members have driven the order of our buildout by registering their support. Those zones that reached their participation goals first were built first. However, more recently grant award requirements and engineering considerations also have influenced the order of our build. We have taken

advantage of every option available to control our costs and build our broadband network as affordably as possible.

Thanks to the support of our state and federal governments, we have been awarded more than \$7.5 million in state construction grants. Securing these grant funds is extremely important to all our members, but often the grants are only available for certain portions of our service area and must be built within a specific timeframe.

Ultimately, we plan to provide access to all members who are eligible. Though it is difficult to wait for this service, we sincerely thank our members who have registered, but not yet been served, for their continued patience and support.



Autumn Porter, Tech Support I, helps a Gibson Connect customer.



Apprentice Lineworker Seth Turnbo installs wire on a pole that has been changed out.

Through living the cooperative model

Gibson EMC was built by, belongs to and is led by people in the communities we serve. Your cooperative and its wholly-owned, not-for-profit subsidiary, Gibson Connect, are led by an elected board of 12 community leaders that provides guidance and oversight to ensure the needs of the co-op's 39,000 member-owners are fully represented. This locally owned and operated model is key to our resilience because the Gibson EMC board makes decisions with local concerns in mind.

We care. This is why we continually invest in our members and in our communities by providing scholarships, sponsoring rising high school seniors on the annual Youth Leadership Summit and on the Washington Youth Tour, and lead safety demonstrations for schools and civic groups.

Gibson EMC is a member of our local chambers of commerce, and often is called upon to help recruit industry, assist with infrastructure readiness and help with site visits. Additionally, we are actively involved in business

retention and expansions, and we provide a wide range of services to help support our commercial and industrial members.

Of course, we also offer a variety of programs and services, like heat pump and water heater financing, to meet our residential members' needs. Our Gibson EMC app is a favorite. It enables members to easily make a payment, make a payment arrangement, report an outage, view the outage map, set up alerts, view usage and more.

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

The dictionary definition of resilient matches the culture of Gibson EMC, "able to recoil or spring back into shape after bending, stretching or being compressed."

Like all of America, our communities have been through a lot over the last year. But the resilient spirit we share has allowed us to persevere and even grow. Together we will build a brighter future.



The Consolidated Financial Statements

(The Consolidated Financial Statements include the operations of Gibson Electric Membership Corporation and of Gibson Connect, LLC.)

2020 Assets

Electric Plant	\$235,447,659
Depreciation	(90,900,562)
Net Plant	144,547,097
Reserve & Cash Fund	6,814,930
Current & Accrued Assets	17,086,676
Deferred Debits	4,891,201
Totals Assets	\$173,339,904

Equities and Liabilities

Current & Accrued Liabilities	\$17,350,079
Deferred Credits	2,543,943
Membership Investment	260,546
Long-Term Debt	43,233,416
Earnings Reinvested in System Assets	109,951,920
Total Equities and Liabilities	\$173,339,904

Revenue and Expense Statement

Operating Revenue	\$95,733,441
Purchased Power Expense	63,369,332
Operations Expense	10,113,468
Maintenance Expense	6,864,340
Depreciation Expense	7,864,758
Tax Expense	2,251,880
Net Margin from Operations	\$5,269,663
Non-Operating Income	353,851
Interest Expense	967,100
Net Margin	\$4,656,414

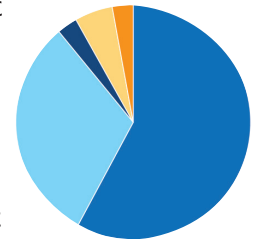
Auditor's Statement

Gibson Electric Membership Corporation's books were audited by the firm of Alexander, Thompson, Arnold, PLLC, Certified Public Accountants, Union City, Tenn. Copies of the audit report will be on file beginning July 1, 2021, at Gibson EMC's Corporate Office, 1207 S. College St., Trenton, Tenn., 38382.

2020 Revenue Per \$1

Gibson EMC received \$95,733,441 in revenues for the fiscal year that ended December 31, 2020. Our revenues came from several sources: residential members, commercial & industrial members, miscellaneous income, lighting and broadband.

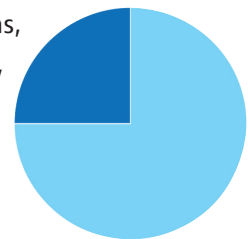
- Residential Members: 58¢
- Commercial & Industrial Members: 31¢
- Broadband: 5¢
- Lighting: 3¢
- Miscellaneous Income: 3¢



2020 Expenses Per \$1

Gibson EMC buys power from the Tennessee Valley Authority. In the fiscal year that ended December 31, 2020, we spent 75% of our electric sales revenue to pay our TVA power bill. The other 25% was used for operations, maintenance, depreciation, interest and tax expenses.

- Purchased Power from TVA: 75¢
- Operations, Maintenance, Depreciation, Interest & Tax Expenses: 25¢



President and CEO; Attorney; & Board of Trustees



Randy Camp
Attorney



Steve Sanders
Chairman/District 1



Keith Heglar
Vice-Chairman/District 2



Tony Bargery
District 3



Wray Pulliam
District 5



Joan Mouser
District 6



Rana Buchanan
District 7



Bob McCurdy
Assistant Secretary-Treasurer/District 8



Richard Skiles
*Secretary-Treasurer
District 9*



Keith Forrester
District 10



Eric Dupree
District 11



Lilly Kimbell
District 12



Dan Rodamaker
President and CEO

In Memoriam

This past year, we mourned the loss of three of our beloved and dedicated board members. We sincerely appreciate and value their immense contributions to the cooperative. Under their exceptional leadership, Gibson EMC became a better organization for its consumer-members.

David Kimbell

Represented
District 12

Served for 24 years

Former Board Chairman of Hickman-Fulton Counties Rural Electric Cooperative Corporation who guided the successful merger of that cooperative with Gibson EMC in January 2016.

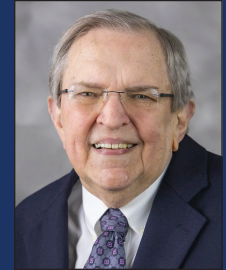


Don Leathers

Represented
District 11

Served for 21 years

Officer positions held: Vice Chairman; Secretary-Treasurer; Assistant Secretary-Treasurer



Larry Hicks

Represented
District 4

Served for 18 years





Ad Valorem & Property Tax Payments

Each year Gibson EMC pays ad valorem and property taxes to the towns and counties in which the cooperative has infrastructure. The amount of taxes paid is based on the assessed value of the infrastructure, including buildings, substations, transformers, poles and lines. The 2020 ad valorem and property taxes paid are below.

Tennessee

Crockett County	\$303,918.68
Dyer County	\$47,259.00
Gibson County	\$793,861.64
Haywood County	\$3,208.33
Lake County	\$209,237.00
Lauderdale County	\$24.00
Madison County	\$51,962.00
Obion County	\$351,059.26
Total:	\$1,760,529.91

Kentucky

Carlisle County	\$14,319.34
Fulton County	\$57,935.54
Graves County	\$896.56
Hickman County	\$54,207.07
State of Kentucky	\$63,775.65
Total:	\$191,134.16



Member Service Representative Suzanne Pigg answers a member's call in the Trenton Member Service Center.



When the pandemic hit, we knew that we would need high-speed internet to communicate with our Miracle Tabernacle Church of Gibson members. Receiving service from Gibson Connect was a game changer. It enabled us to livestream to our confined members and perform all of our work at the church much more efficiently.

Derek Johnson
Church Administrator & Assistant Pastor
Humboldt, Tenn.

Statistical Information

	2018	2019	2020
Number of Electric Services	38,741	38,792	39,002
Number of Internet Services	344	3,138	7,125
Consumer-Member Equity	\$103,199,767	\$105,295,506	\$109,951,920
Long-Term Debt	\$20,020,330	\$32,140,453	\$43,233,416
Interest Paid	\$1,438,337	\$1,265,341	\$967,100
Total Kilowatt-Hours Sold	929,890,547	886,703,046	847,090,584
Average Monthly Residential Kilowatt-Hour Consumption	1,418	1,330	1,253
Number of Full-Time Employees (Electric and Broadband)	104	109	119
Meters per Mile	11.0	11.0	11.1
Miles of Electric Line	3,514	3,519	3,528
Miles of Fiber Line	580	1,390	2,140
Investment per Meter	\$4,878	\$5,356	\$6,037
Taxes Paid	\$1,599,081	\$1,757,338	\$1,951,664
Wholesale Power Cost as % of Electric Sales Revenue	76%	75%	75%

First Class Lineworker Russell Hopper uses a digger derrick to set a new pole.

Back Cover: Hopper and Apprentice Lineworker Tyler Richardson observe coworkers for safety as the final steps are taken to set a pole.



CORPORATE

P.O. Box 47
1207 S. College St. | Trenton, TN
731-855-4740

ALAMO

402 Egghill Rd. | Alamo, TN
731-696-5961

HICKMAN

1702 Moscow Ave. | Hickman, KY
270-236-2521

MEDINA

201 Hwy. 45 E. North | Medina, TN
731-855-4660

TIPTONVILLE

1515 Church St. | Tiptonville, TN
731-253-7181

TRENTON

1207 S. College St. | Trenton, TN
731-855-4660

TROY

602 C.C. Gurien Drive | Troy, TN
731-536-5920

GIBSON CONNECT

1207A S. College St. | Trenton, TN
731-562-6000

