



Empowering Connections

GIBSON ELECTRIC MEMBERSHIP CORPORATION

**2023
ANNUAL REPORT**

Empowering Connections

As your not-for-profit, member-owned and member-controlled businesses, Gibson Electric Membership Corporation and Gibson Connect are deeply committed to serving you with excellence.

We strive to ensure your experience with us is nothing short of exceptional—providing you

great value, excellent customer service and meeting your needs while treating you with the utmost respect and care.

Our mission extends beyond mere service provision; it encompasses connecting with each member and our communities to forge a brighter, more empowered future together.




Pursuing AFFORDABILITY AND RELIABILITY

Affordable and reliable electric and internet service are crucial for the sustainability and growth of our communities. Despite persistent challenges, including inflation and supply chain disruptions, we diligently manage our spending to maintain affordability.

In 2024, we recognize the Tennessee Valley Authority is short on generation resources. The retirement of TVA's coal plants—a very reliable and relatively inexpensive energy source—is forcing us to depend on more costly and less reliable energy options; and any new TVA generation will be expensive to build. This problem is compounded by a growing demand for energy.

The combination of limited generation and higher energy demand will likely cause us to experience future rate increases from TVA. We continue to voice our concerns to TVA as we work to keep your electricity affordable and reliable.

Recognizing the important role of conservation in these circumstances, we are actively partnering with TVA to offer energy efficiency incentives, empowering you to make informed decisions, best manage your energy use and save energy dollars. To learn more about these and other Gibson Electric programs, visit gibsoncoops.com/services.



Storm recovery: Gibson Electric and Gibson Connect employees worked diligently to restore electric and internet service to members following the December 9 tornadoes in north Gibson County. On the cover is First Class Lineworker Seth Turnbo. Shown here are First Class Lineworker Jonathan Minton, far left, and Line Crewleader Jeff Milam. Thanks to our dedicated and highly skilled employees, service reliability for the year remained strong at 99.92 percent. Absent the major weather events, service reliability is 99.97 percent.

Strengthening **YOUR ELECTRIC EXPERIENCE**

To strengthen Gibson Electric's service reliability, we made significant upgrades to our infrastructure in 2023. The conversion of portions of our physical electric system in Kentucky from 12 kV to 25 kV is an example of the work we are doing.

We also continued inspections of our electric system for National Electric Safety Code compliance and the changing out of poles, crossarms and other equipment to strengthen service reliability for all of our members.

Inflation and some supply chain issues persisted during 2023. Trucks and substation transformers, for example, now have a three-year lead time.

Several major weather events also struck our service area in 2023, but thanks to our dedicated and highly skilled team, service reliability for the year remained extremely good at 99.92 percent. Absent the major weather events, service reliability is 99.97 percent.

Strong electric service reliability is essential to our members' homes and communities; and reliable, high-speed internet connectivity has become similarly critical.



The move to our new Clinton building is planned for late summer or early fall. This location is advantageous because it is central to our Kentucky service area and will enable us to operate more efficiently and respond more quickly to members' needs.



Apprentice Lineworker Connor Adams competes in an event at the Kentucky Lineman Rodeo.

Enhancing YOUR INTERNET EXPERIENCE

In 2023, Gibson Connect completed the fiber buildout within our electric footprint. This means universal Gigabit internet service that is affordable, symmetrical and with no data limits or contract is available throughout our 12-county service area. This accessibility positions our members and communities competitively for educational and job opportunities, industrial growth and streaming entertainment with capability as robust as any major city in the United States.

As of December 2023, we had connected more than 17,694 subscribers to our high-speed, fiber-based internet, phone and video services.

Since we began construction in 2018, we have applied for and received more than \$10.8 million in grants from the State of Tennessee and more than \$4.8 million in grants from the State of Kentucky.

To help our members effectively and conveniently manage

their Wi-Fi experience, we offer all subscribers the free Gibson Connect Smart Home App; and in 2023, we also began providing Gibson Protect to our subscribers at no added cost.



Network Technician Taylor Coomer connects a GPON (Gigabit Passive Optical Network) circuit. Doing this completes the high-speed fiber connection to our members' homes. Like Gibson Electric, our Gibson Connect team is made up of local, dedicated folks who truly care.

Gibson Protect provides a network-level security application that proactively helps to keep malicious websites, viruses, and intrusions away from our subscribers' homes 24/7.

Gibson Protect also allows subscribers to easily create and enforce online rules for the users and devices in their home networks. It provides parental controls to help

protect subscribers' children online, limit their access to apps and websites, set schedules to turn off their internet access and see what apps they use.

We are thrilled to offer innovative tools like our Gibson Connect Smart Home App and Gibson Protect to our subscribers, further enhancing their online experience and supporting the security and well-being of their families.

Supporting OUR COMMUNITIES

At Gibson Electric and Gibson Connect, community support is at the heart of who we are and what we do.

We are excited that in 2023 we expanded our Change for the Community program to Tennessee. This program has had enormous success in our Kentucky counties. It invites members to round up their monthly electric bills to the next dollar. The funds are donated to local 501(c)(3) organizations through the Change for the Community board. Since the program was

started in Kentucky, more than \$160,000 has been donated to local charitable organizations. To opt-in to our Change for the Community program, go to gibsoncoops.com/change.

We also partnered with CoBank and TVA to make a meaningful difference in the lives of our members and communities. Together we've contributed to local charities, educational programs, and vital community services, fostering resilience and prosperity across our service area.



Fiber Installation/Repair Tech 2 Taylor Landrum educates young students about fiber optic internet service.



Above left, we engaged with our younger generations through safety and education programs, career exploration and leadership development. Above, rising senior high school students toured Washington, D.C., as winners in the cooperatives' creative writing competition. Gibson Electric and Gibson Connect also partnered with TVA and CoBank to support local 501(c)(3) organizations. At left, Isaiah House 117, received a grant and donations. Pictured, from left, are Gibson Electric Community and Member Engagement Specialist Jessica Toliver, Manager of Member Care Justin Weaver, Isaiah House 117 officials, First Class Lineworker Jonathan Minton and President and CEO Dan Rodamaker.

Transforming OUR COMMUNICATIONS CONNECTION

In 2023, we launched a rebranding initiative to bring together Gibson Electric and Gibson Connect with an identical logo.

This strategic move represents a unified vision for our organization, symbolizing our commitment to continued innovation and service enhancement, as well as fostering even stronger connections with our communities and embracing a future that revolves around collaboration and synergy.

As part of this transformation, we unveiled a new logo that we'll use for Gibson Electric and Gibson Connect. The new logo is a simple, yet powerful, "G" that serves as a visual symbol of the strength of our unity and our steadfast commitment to continual service progress.

Along with the cobranded identity, we introduced our enhanced online presence with the launch of a new joint website at gibsoncoops.com. The website is a dynamic space offering enriched content, easy navigation, and interactive features to better engage you in meaningful ways and fully meet your needs. Through gibsoncoops.com you can easily access information for and conveniently transact business with Gibson Electric and Gibson Connect.

Even with these changes, one thing remains constant—our unwavering commitment to

At right, Dispatcher Donya Norvell monitors the cooperative's Supervisory Control and Data Acquisition System, dispatches crews to restore service when needed, and answers members' calls.

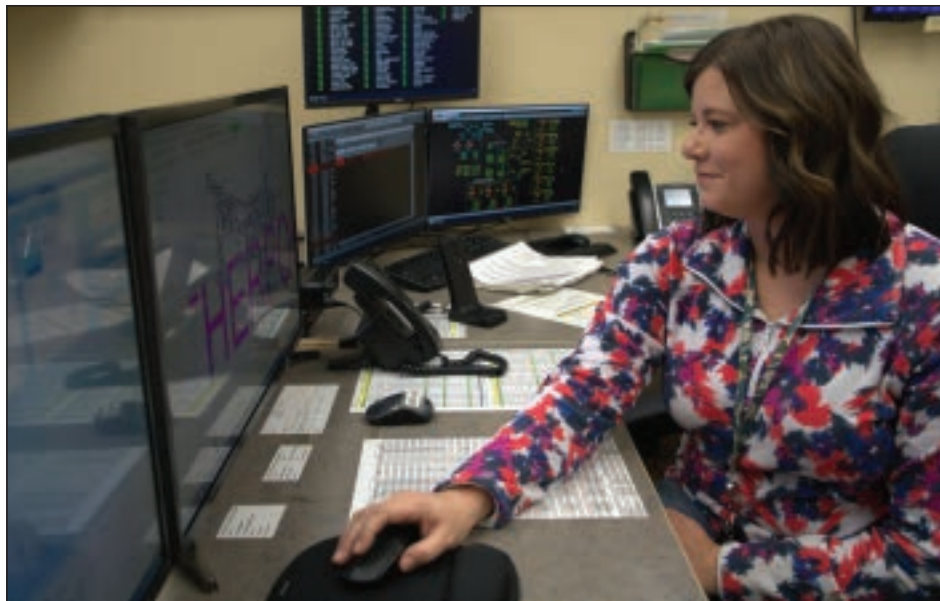
providing exceptional local electric and internet services. We are the same local, not-for-profit, member-owned and member-controlled organization with the same devoted team of employees you know and trust.



We will continue to prioritize your needs, ensuring that the quality of service you expect and deserve remains at the forefront of everything we do.

Our forward moving "G" logo on our buildings, vehicles, and various touchpoints across our communities, represents more than just a visual transformation. It is a symbol of our dedication to cooperation, innovation, service, community and the continued progress we will make together.

As we reflect on the past year's achievements and challenges, we remain immensely grateful for your trust and support. Together, we will create a brighter, more connected and empowered future for us all. Thank you for being an integral part of the Gibson Electric and Gibson Connect family.



MEMBERS OF THE BOARD OF TRUSTEES



Steve Sanders
District 1
Chairman



Keith Heglar
District 2
Vice-Chairman



Tony Bargery
District 3



Jim Turner
District 4



Dan Rodamaker
President and CEO



Randy Camp
Attorney



Wray Pulliam
District 5



Joan Mouser
District 6



Rana Buchanan
District 7



Bob McCurdy
District 8
Secretary-Treasurer



Brian McDaniel
District 9



Keith Forrester
District 10



Eric Dupree
District 11



Bruce Kimbell
District 12
Asst. Secretary-
Treasurer

PRESIDENT AND CEO & ATTORNEY

Change FOR THE COMMUNITY

By adding a few extra cents to your monthly electric bill, YOU can make a positive change in your community.

Scan to become a changemaker today!



www.gibsoncoops.com/change

THE 2023 CONSOLIDATED FINANCIAL STATEMENTS

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

Assets

Electric Plant	\$331,805,382
Depreciation	(110,130,326)
Net Plant	221,675,056
Reserve & Cash Fund	2,955,443
Current & Accrued Assets	17,603,659
Deferred Debits	5,051,814
Totals Assets	\$247,285,972

Equities and Liabilities

Current & Accrued Liabilities	\$27,305,732
Deferred Credits	3,824,007
Membership Investment	258,960
Long-Term Debt	89,271,015
Earnings Reinvested in System Assets	126,626,258
Total Equities and Liabilities	\$247,285,972

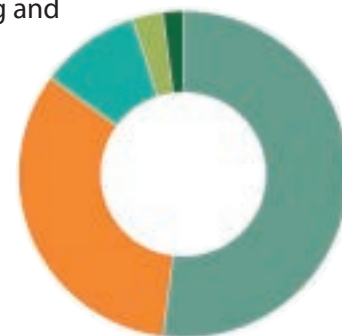
Revenue and Expense Statement

Operating Revenue	\$117,536,135
Purchased Power Expense	73,255,386
Operations Expense	14,164,515
Maintenance Expense	9,501,307
Depreciation Expense	11,181,354
Tax Expense	3,154,487
Net Margin from Operations	\$6,279,086
Non-Operating Income	1,961,853
Interest Expense	2,473,672
Net Margin	\$5,767,267

2023 Revenue Per \$1

Gibson received \$117,536,135 in revenues for the fiscal year that ended December 31, 2023. Our revenues came from several sources: residential members, commercial and industrial members, miscellaneous income, lighting and broadband.

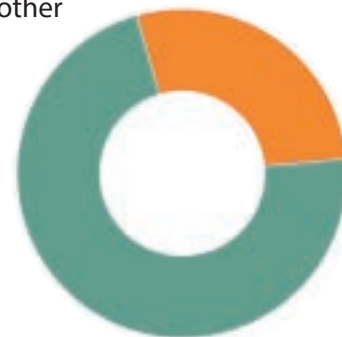
- Residential: 52¢
- Commercial & Industrial: 33¢
- Broadband: 10¢
- Miscellaneous Income: 3¢
- Lighting: 2¢



2023 Expenses Per \$1

Gibson Electric buys power from the Tennessee Valley Authority. In the fiscal year that ended December 31, 2023, we spent 72% of our electric sales revenue to pay our TVA power bill. The other 28% was used for operations, maintenance, depreciation, interest and tax expenses.

- Purchased Power from TVA: 72¢
- Operations, Maintenance, Depreciation, Interest & Tax Expenses: 28¢



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, 2024, at Gibson Electric's Corporate Office, 1207 S. College St., Trenton, Tenn., 38382.

STATISTICAL INFORMATION

	2021	2022	2023
Number of Electric Services	39,379	39,315	39,538
Number of Internet Services	10,948	14,482	17,694
Member-Owner Equity	\$116,058,384	\$120,858,991	\$126,626,258
Long-Term Debt	\$64,722,308	\$71,399,825	\$89,271,015
Interest Paid	\$1,331,526	\$1,838,907	\$2,473,672
Total Kilowatt-Hours Sold	876,511,306	897,226,653	885,752,651
Average Monthly Residential Kilowatt-Hour Consumption	1,302	1,321	1,234
Number of Full-Time Employees (Electric and Broadband)	126	128	127
Meters per Mile	11.1	11.1	11.1
Miles of Electric Line	3,542	3,554	3,566
Miles of Fiber Line	2,680	3,120	3,546
Taxes Paid	\$2,147,311	\$2,352,341	\$2,291,870
Wholesale Power Cost as % of Electric Sales Revenue	72%	73%	72%

AD VALOREM AND PROPERTY TAX

Each year Gibson Electric 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. As we have built out our high-speed fiber network to provide internet, phone and TV services, the taxes we have paid to our communities have increased by about 50 percent since 2017. The 2023 ad valorem and property taxes paid are below.

Tennessee

Crockett County	\$498,377
Dyer County	\$64,881
Gibson County	\$855,764
Haywood County	\$4,122
Lake County	\$224,080
Lauderdale County	\$74
Madison County	\$56,032
Obion County	\$426,795
Total	\$2,130,125

Kentucky

Carlisle County	\$20,763
Fulton County	\$4,630
Graves County	\$1,130
Hickman County	\$58,899
Commonwealth of Kentucky	\$76,323
Total	\$161,745

2023 TAXES **\$2,291,870**



Line Crew Leader Kendall Byassee participates in the Tennessee Valley Lineman Rodeo.

CORPORATE

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

ALAMO

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

CLINTON

871 US Hwy 51 North | Clinton, 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

gibsoncoops.com

join.gibsonconnect.com



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