

*Energizing
every moment*



GIBSON

ELECTRIC | CONNECT

2024 Annual Report

Energizing every moment

From the ordinary to the remarkable, there is power in every moment. As your not-for-profit, member-owned and member-controlled cooperative, Gibson Electric Membership Corporation plays an essential role in energizing the people and places we serve. We are proud to power the moments that energize opportunity, connection, unity, compassion and our youth.

In 2024, Gibson Electric and Gibson Connect made significant investments in our infrastructure to prepare for future growth.

A core team representing all divisions of our organization began actively working on a software conversion to National Information Solutions Cooperative in February 2024. Our new software system, which launched on Dec. 9, 2024, allows you to view and manage your Gibson Electric and Gibson Connect accounts on a single platform.

Change can be hard, and our software conversion did not come without challenges. We are sorry for the inconvenience you may have experienced, and we are committed to resolving any issues you may encounter. We remain confident that moving our electric and broadband accounts to one platform will ultimately enable us to provide you with the excellent service you deserve and expect from us.

You are our member-owners. You are why we are here, and our commitment to you never wavers. For every good memory in your

life and in our communities, all of us at Gibson Electric Membership Corporation will continue working behind the scenes to energize every moment.

On the cover: First Class Lineworker Jonathan Minton
Below: From left, Gibson Electric Member Service Representative Nina Island, Gibson Connect Technical Support Team Leader Maribel Vega and Gibson Connect Business Support Technician Paige Pillow



First Class Lineworker PJ Haskins prepares to work on a main distribution line. Gibson Electric crews maintain more than 3,500 miles of line in eight West Tennessee and four Western Kentucky counties.



Energizing opportunity

We energize opportunities by providing reliable infrastructure and broadband access, attracting industries and helping recruit and retain jobs to build healthier communities and brighter futures.

In 2024, Gibson Electric improved the strength and reliability of electric service with upgrades to substations, our core fiber network and our internal computing platform.

We recently upgraded our infrastructure by updating the

power transformers at our Polk substation. This allowed us to relocate and add second power transformers at our Ridgely and Pierce substations. With redundant transformers now in place at every substation, we've significantly increased service reliability.

We upgraded and diversified our internal computing system by installing servers at multiple locations for enhanced redundancy. This ensures uninterrupted service, even if one server goes offline, so we can continue delivering the reliable service you expect.

We are in the process of improving our core fiber network from 100 Gig to 400 Gig, allowing us to continue to grow and meet members' bandwidth needs while strengthening our internal system. We have received a grant covering 70% of the cost of this project.

Project Engineer Caleb Branson, left, and Substation Technician Hunter Smith review plans at the Alamo substation. In 2024, we made improvements to our Polk, Ridgely and Pierce substations, giving us redundant transformers at every substation to significantly enhance service reliability.



Energizing connection

We energize connections by delivering high-speed internet, bridging the digital divide in our rural communities, empowering communication and improving access to education, healthcare and economic opportunities.

Gibson Connect celebrated significant milestones in 2024. We received +90 on a Net Promoter Score (NPS) survey, which put us in the “World Class” category for customer service. NPS measures customer satisfaction, loyalty and enthusiasm on a scale of -100 to +100.

Our NPS score indicates that Gibson Connect subscribers are satisfied with our services and inclined to advocate for us within their networks. Your positive word-of-mouth helps



Bailee Mayfield of Crockett Mills, center, became Gibson Connect’s 20,000th subscriber in December 2024. She celebrates with Gibson Connect Vice President of Operations Charles Phillips, left, and Gibson Connect Manager of Outside Plant Teresa Burkett, right.

us expand our reach and serve more people in our communities. With your help, we celebrated service to 20,000 subscribers in 2024. Thank you for supporting Gibson Connect and for recommending us to your friends, family and neighbors!

Through Gibson Protect, we give you easy-to-use tools to help you keep your home network secure and your family safe. Gibson Protect blocks intrusions, web threats, viruses and malware and helps you manage screen time, content and access through the Gibson Connect Smart Home app. In 2024, Gibson Protect blocked a total of 2,640,994 threats. All subscribers receive these services at no additional cost.

Looking ahead, we remain committed to expanding broadband access and providing our subscribers and communities with the tools they need to stay connected. Gibson Connect has received a grant to bring residential internet service to Bradford, and we are exploring additional opportunities beyond our service area. Growing our subscriber base helps keep rates low for everyone.



Fiber Installation/Repair Technician 2 Taylor Landrum performs maintenance on Gibson Connect equipment.



Energizing unity

We energize unity by fostering strong partnerships, supporting local initiatives and encouraging collaboration to create a stronger, more connected region.

One of the core principles of cooperatives is collaboration among co-ops. In May 2024, we received aid from several neighboring electric co-ops after a damaging windstorm caused power outages scattered across our 12-county service area. In October, eight Gibson Electric lineworkers traveled to Millen, Georgia, to help restore power after Hurricane Helene devastated the area.

Nearly 700 rural electric co-ops collaborate to improve safety for employees across the nation by participating in the Rural Electric Safety Achievement Program (RESAP). Gibson Electric completed the RESAP audit, which is done every three years, in 2024, as part of our ongoing effort to consistently engrain strong safety practices into everyday work.

With the completion of our rebranding initiative, Gibson Electric and Gibson Connect are unified with co-branding, with our gibsoncoops.com website and with our Gibson Co-ops app. We are pleased with the positive feedback we have received from our members who are happy to have all the information they need to manage their electric and broadband accounts in one place. It also makes it easier for prospective members to sign up for services and learn more about our cooperatives.

Line Crewleader Eugene Stephens and First Class Lineworker Payton Featherston trudge through dense vegetation to restore electric service after a storm on Memorial Day Weekend caused widespread power outages throughout our 12-county service area.



Community and Member Engagement Specialist Jessica Toliver, left, presents OUTside INN a \$5,000 CoBank Sharing Success grant for a new home in rural Obion County that will provide support housing to women and their children. Gibson Electric partnered with CoBank and TVA in 2024 to award \$109,000 in matching grants to local nonprofit organizations.

Energizing compassion

We energize compassion by giving back to our communities, extending kindness and fostering a culture of care that makes a meaningful difference in people's lives.

Supporting the communities we serve is at the heart of our mission to enhance our members' quality of life. In 2024, we partnered with CoBank and TVA to award \$109,000 in matching grant funding to nonprofit organizations. With TVA, we awarded an additional \$23,000 in economic development funding.

Our nonprofit grant recipients will use the money to support youth, empower women and children, provide disaster relief and purchase equipment to improve volunteer rescue squads. Economic development funding will be used to upgrade facilities, improve parks and support industry growth.

Our members show compassion and generosity through Change for the Community, a voluntary round-up program that allows you to round up your electric bill to the nearest dollar. A Change for the Community board made up of Gibson Electric members chooses how to distribute the money to local nonprofits, with 100% of the funds staying in the service area where they are raised.

In 2024, our Kentucky members gave \$5,000 in Change for the Community grants, bringing the total since 2013 to \$168,000. Tennessee members now have the option to sign up for Change for the Community, and we are eager to donate our first round of grants in the Volunteer State. Spare a little, help a lot by signing up for the program at your local member service center or online at gibsoncoops.com/change-for-the-community.

Energizing our youth

We energize our youth by providing educational initiatives and promoting energy efficiency programs that inspire smart, sustainable choices for the future.

Gibson Electric partners with the Tennessee Electric Cooperative Association (TECA) to sponsor the Washington Youth Tour every summer.

In 2024, seven juniors from our area high schools in Tennessee and Kentucky earned the expenses-paid trip to Washington, D.C., by entering a short story contest. Each year, contest winners are also eligible for college scholarships and may choose to participate in the Youth Leadership Council.

Gibson Electric sponsors four students annually to participate in Kentucky's Frankfort Youth Tour and Tennessee's Youth Leadership Summit.

Gibson Electric also works with local schools to encourage their participation in TVA's School Uplift and STEM Classroom

Students on the 2024 Washington Youth Tour take a selfie at the Jefferson Memorial. Gibson Electric sponsored seven juniors from Tennessee and Kentucky high schools on the expense-paid trip where they learned about electric cooperatives, met youth from across the country and toured our nation's capital.



Gibson Electric visits students at Kenton Elementary School to promote electrical and cyber safety and to introduce them to career opportunities in the electric and broadband fields.

Grant Program. In the 2023-24 school year, Hillcrest Elementary and Ridgemont Elementary schools received School Uplift energy efficiency grants. In addition to helping schools save on energy costs, School Uplift provides energy efficiency training so students and faculty learn easy, actionable energy-saving tips and practices.

Gibson Electric and Gibson Connect work with our local schools and chambers of commerce to expose students to careers available in our electric and broadband cooperatives, ensuring the next generation of our workforce can find meaningful work right here at home. Our employees are always willing to visit our local schools to promote electrical and cyber safety, show students tools of the electric and broadband trades and read to our youngest students.

At Gibson Electric, we are guided by our mission to enhance our members' quality of life by providing exceptional services that are reliable, affordable and safe. We are grateful for your support and our team's dedication. Together, we will continue to strive to create a brighter, more connected and empowered future for us all as we energize every moment.



Board of Trustees



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Keith Forrester
District 10



Eric Dupree
District 11

Advocacy is another way Gibson Electric energizes opportunity for our members. Because our elected officials make decisions that can have a significant impact on our cooperatives and communities, we engage with them so they understand how potential legislation can positively or negatively affect you. Below, Gibson Electric and Gibson Connect President and CEO Dan Rodamaker, right, speaks with Congressman James Comer, who represents Kentucky's 1st Congressional District, at our Clinton Member Service Center.



The 2024 Consolidated Financial Statements

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

Assets

Electric Plant	\$357,941,320
Depreciation	(114,528,545)
Net Plant	<u>243,412,775</u>
Reserve & Cash Fund	4,069,988
Current & Accrued Assets	19,581,134
Deferred Debits	<u>4,837,663</u>
Total Assets	<u><u>\$271,901,560</u></u>

Equities and Liabilities

Current & Accrued Liabilities	\$28,513,366
Deferred Credits	3,976,885
Membership Investment	260,641
Long-Term Debt	105,421,779
Earnings Reinvested in System Assets	<u>133,728,889</u>
Total Equities and Liabilities	<u><u>\$271,901,560</u></u>

Revenue and Expense Statement

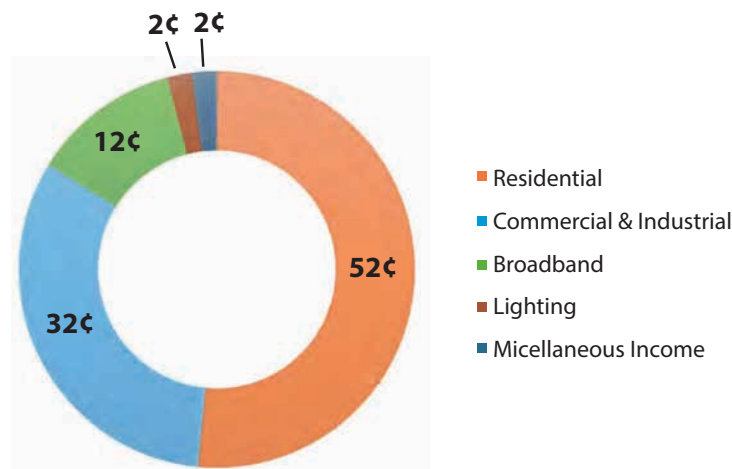
Operating Revenue	<u>\$124,370,565</u>
Purchased Power Expense	75,927,696
Operations Expense	14,542,412
Maintenance Expense	10,095,343
Depreciation Expense	12,135,054
Tax Expense	<u>2,472,571</u>
Net Margin from Operations	\$9,197,489
Non-Operating Income	1,102,627
Interest Expense	<u>3,197,485</u>
Net Margin	<u><u>\$7,102,631</u></u>

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, 2025, at Gibson Electric's Corporate Office, 1207 S. College St., Trenton, Tenn., 38382.

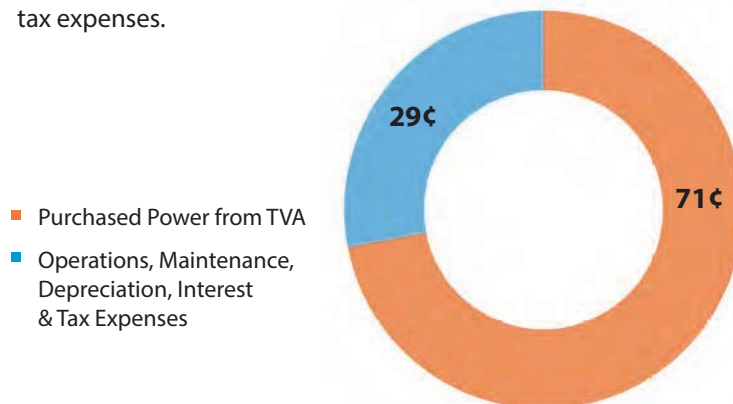
2024 Revenue Per \$1

Gibson received \$124,370,565 in revenues for the fiscal year that ended Dec. 31, 2024. Our revenues came from several sources: residential members, commercial and industrial members, miscellaneous income, lighting and broadband.



2024 Expenses Per \$1

Gibson Electric buys power from the Tennessee Valley Authority. In the fiscal year that ended Dec. 31, 2024, we spent 71% of our electric sales revenue to pay our TVA power bill. The other 29% was used for operations, maintenance, depreciation, interest and tax expenses.



Statistical Information

	2022	2023	2024
Number of Electric Services	39,315	39,538	39,835
Number of Internet Services	14,482	17,694	20,009
Member-Owner Equity	\$120,858,991	\$126,626,258	\$133,728,889
Long-Term Debt	\$71,399,825	\$89,271,015	\$105,421,779
Interest Paid	\$1,838,907	\$2,473,672	\$3,197,485
Total Kilowatt-Hours Sold	897,226,653	885,752,651	904,299,873
Average Monthly Residential Kilowatt-Hour Consumption	1,321	1,234	1,267
Number of Full-Time Employees (Electric and Fiber)	128	127	131
Meters per Mile	11.1	11.1	11.2
Miles of Electric Line	3,554	3,566	3,572
Miles of Fiber Line	3,120	3,546	3,562
Taxes Paid	\$2,352,341	\$2,291,870	\$2,525,865
Wholesale Power Cost as % of Electric Sales Revenue	73%	72%	71%

First Class Lineworker Jimmy Allen and Apprentice Lineworker Cody Rowe visit with members while serving lunch at our Clinton Member Appreciation Event in October 2024.



Ad Valorem and Property Tax Payments

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 60% since 2017. The 2024 ad valorem and property taxes accrued are outlined below.

Tennessee

Crockett County	\$450,867
Dyer County	\$66,383
Gibson County	\$838,252
Haywood County	\$4,280
Lake County	\$318,788
Lauderdale County	\$647
Madison County	\$45,765
Obion County	\$489,414
Total	\$2,214,396

Kentucky

Carlisle County	\$52,286
Fulton County	\$60,271
Graves County	\$1,164
Hickman County	\$60,666
Commonwealth of Kentucky	\$137,082
Total	\$311,469
2024 TAXES	\$2,525,865



Apprentice Lineworker Zach Sellers heads out for another day of work.

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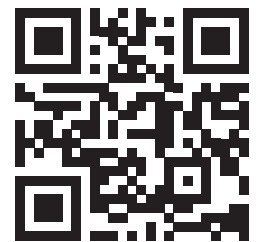
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SCAN FOR WEBSITE