



2023 ANNUAL REPORT



2023

marked a year of improvements to the transmission system.

Citizens Electric Corporation was established to serve the homes and businesses of our membership. You are why we exist and we approach each day focusing on our commitment to you. Our leadership team and employees are working to ensure our membership has reliable and affordable power while adapting to a changing energy landscape and our community's evolving needs.

Infrastructure Improvement Projects

As our nation increasingly relies on electricity to power the economy, keeping the lights on has never been more important and challenging. 2023 marked a year of major improvements to the transmission system that serves our members. In coordination with Wabash Valley Power Alliance, major milestones were achieved in the multi-phase Limestone Ridge Project. This project will establish a second transmission source into Cape Girardeau County in the southern portion of Citizens Electric's service territory. A second project in the central portion of our service territory, located right in the heart

of Perryville, MO, was completed in the Fall of 2023 which upgraded a 3.9 mile 69,000 volt transmission line to strengthen the capabilities in the area. Finally, in the northern portions of our territory, north and west Ste. Genevieve County, progress continued on the Salem Bulk-Valley View Project which will one day provide an additional 69 kilovolt line into that area.

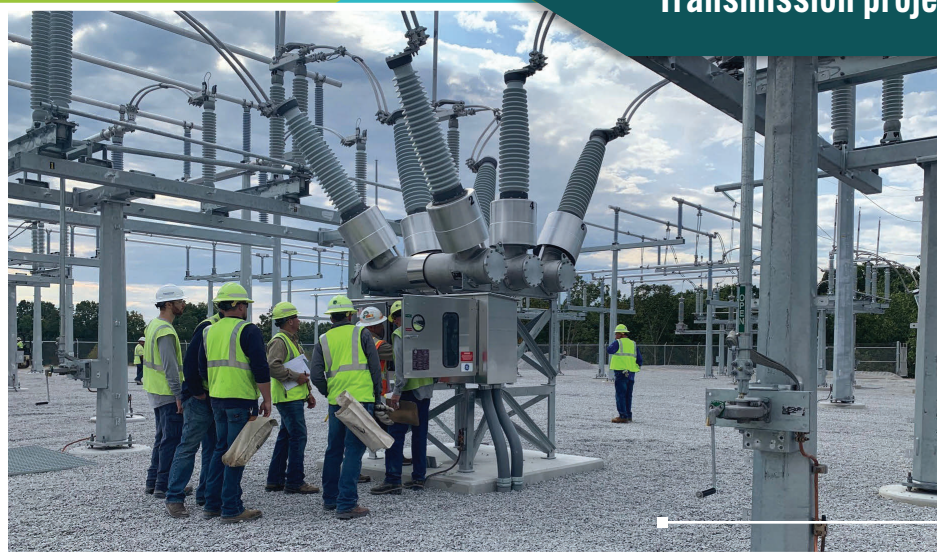
Rate Increase and Fairness of Costs

We are committed to powering – and empowering – our communities at a cost local families and businesses can afford. Despite rising costs, Citizens Electric has worked to control spending while maintaining service. Eighty cents of every dollar paid by members of Citizens Electric goes to Wabash Valley Power Alliance (WVPA). Citizens Electric's Board of Directors takes great pride in knowing that everything Citizens Electric does to serve its members is accomplished with approximately 20 cents from every dollar we collect. That's two dimes. However, as WVPA continues to raise its rates to Citizens Electric, reluctantly we have had

to raise our rates to you, our members. Wabash Valley's wholesale power rates are currently based on a model where the cost Wabash incurs to provide service to its members is disconnected from what a member pays for service. The result is that some of WVPA's members, like Citizens Electric, pay more than the costs it takes to serve them while other WVPA members pay less. Simply put, Citizens' members are paying costs for electricity being used by other WVPA members and we view this approach as simply unfair. Citizens Electric spent 2023 challenging the rates of Wabash Valley at the federal level with the Federal Energy Regulatory Commission. Employees, management, and the Board of Directors of Citizens Electric will continue to stay committed to the membership and ask for patience and understanding as we fight for fairness for you.

To end, we would like to thank the employees of Citizens Electric Corporation for all of the effort that they give each day to support our membership. They are good people working for a good cause and they understand that we exist to serve our members.

Transmission projects to ensure reliability and service



Following is a list of the transmission projects recently completed and underway at Citizens Electric Corporation.

Salem Bulk-to Valley View

69-kilovolt, 21-mile transmission line

Limestone Ridge Project

138-kilovolt, 15-mile transmission line

T17, 69-kilovolt, 3-mile transmission line

Wittenberg substation energized October 2023.

2023 BOARD OF DIRECTORS



William Odneal
President



Doyle Oehl
Vice President



Derek Miesner
Treasurer



Mark Wengert
Secretary



Rodney Scherer
WVPA Director



Richard DeWilde



Don Fulford



Thomas Keim



Rex Meyr Sr.



Glen Weible

EXECUTIVE LEADERSHIP TEAM



From left to right: **Steve Elsea**, Manager of Member Services, **Zach Deneke**, Supervisor of Information Technology, **Angi Herman**, Manager of Human Resources, **Jason Cates**, Chief Executive Officer, **Rachel Tiehes**, Manager of Finance, **Curt Iffert**, Vice President of Operations

BUILDING FOR RELIABILITY AND GROWTH

Citizens Electric's 2023 member load forecast projects growth of 15 percent over the next 15 years. Citizens Electric's projected growth is driven by the residential and commercial sectors.

But even before the latest member load forecast was released in 2023, the cooperative determined it needed to build new transmission and distribution infrastructure to be able to keep providing reliable electric service to the membership.

BALANCE SHEET

ASSETS

UTILITY PLANT

ELECTRIC PLANT	\$206,463,780	\$197,366,032
LESS ACCUMULATED DEPRECIATION	\$77,720,318	\$73,539,766
	<u>\$128,743,462</u>	<u>\$123,826,266</u>

INVESTMENTS

INVESTMENTS IN RELATED COOPERATIVES	\$31,991,367	\$29,890,410
RURAL ECONOMIC DEVELOPMENT LOAN (REDL) RECEIVABLE	\$2,238,655	\$1,684,572
	<u>\$34,230,022</u>	<u>\$31,574,982</u>

CURRENT ASSETS

CASH AND CASH EQUIVALENTS	\$10,574,926	\$15,324,297
RECEIVABLES, LESS ALLOWANCE FOR CREDIT LOSSES OF \$15,186 IN 2023 AND \$10,416 IN 2022	\$13,042,106	\$15,047,382
MATERIALS	\$5,513,643	\$4,608,048
PREPAYMENTS	\$117,280	\$460,512
CURRENT PORTION OF REDL RECEIVABLE	\$370,710	\$282,010
CURRENT PORTION OF DEFERRED DEBITS	\$110,086	\$-
TOTAL CURRENT ASSETS	<u>\$29,728,751</u>	<u>\$35,722,249</u>

DEFERRED DEBITS

	\$330,186	\$253,930
TOTAL ASSETS	<u>\$193,032,421</u>	<u>\$191,377,427</u>

LIABILITIES AND CAPITAL

CAPITAL EQUITIES

MEMBERSHIPS	\$82,645	\$83,785
PATRONAGE CAPITAL	\$121,732,794	\$117,304,923
OTHER EQUITIES	\$101,660	\$101,660
	<u>\$121,917,099</u>	<u>\$117,490,368</u>

LONG-TERM LIABILITIES

	\$50,827,163	\$52,730,225
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ACCUMULATED POST-RETIREMENT BENEFIT OBLIGATION

	\$2,456,258	\$1,899,207
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DEFERRED CREDITS

	\$1,000	\$1,000
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CURRENT LIABILITIES

CURRENT MATURITIES OF LONG-TERM DEBT	\$2,685,526	\$2,533,862
ACCOUNTS PAYABLE	\$9,536,691	\$13,336,489
ACCRUED EXPENSES	\$1,107,115	\$1,330,911
CONTRACT LIABILITIES	\$4,501,569	\$2,055,365
TOTAL CURRENT LIABILITIES	<u>\$17,830,901</u>	<u>\$19,256,627</u>

TOTAL LIABILITIES AND CAPITAL

	<u>\$193,032,421</u>	<u>\$191,377,427</u>
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Total Revenue

(in thousands)

2019 - \$112,281
2020 - \$115,036
2021 - \$124,635
2022 - \$153,098
2023 - \$137,063



Total Assets

(in thousands)

2019 - \$189,609
2020 - \$161,013
2021 - \$191,473
2022 - \$191,377
2023 - \$193,032



Energy Sales - KWH

(in thousands)

2019 - 1,645,496
2020 - 1,675,478
2021 - 1,666,994
2022 - 1,687,134
2023 - 1,648,956

The financial reports listed herein are based on the year-end audits by Kerber, Eck and Braeckel, LLP of Marion, IL, for 2023 and 2022. These audits determined the financial books of Citizens Electric Corporation were maintained in accordance with generally accepted accounting principles. The auditors have determined these reports represent fairly the financial position of the Corporation as of December 31, 2023 and 2022. Any CEC member interested in reviewing an audit report is welcome to visit the office, and we will be happy to make the report available to you.

STATEMENT OF EARNINGS & PATRONAGE CAPITAL



Total Plant Assets

2019 - \$182,391,468
2020 - \$187,427,425
2021 - \$191,887,247
2022 - \$197,366,032
2023 - \$206,463,780



Miles of Line

2019 - 2,972
2020 - 2,968
2021 - 2,975
2022 - 2,983
2023 - 2,991



Number of Members Served

2019 - 27,308
2020 - 27,571
2021 - 27,873
2022 - 27,406
2023 - 27,656

2023

2022

OPERATING REVENUE

ELECTRIC ENERGY REVENUE	\$136,856,029	\$152,961,619
MISCELLANEOUS ELECTRIC REVENUE	\$207,306	\$136,805
TOTAL OPERATING REVENUE	\$137,063,335	\$153,098,424

OPERATING EXPENSES

COST OF POWER PURCHASED	\$105,456,500	\$126,620,262
OPERATING EXPENSES-DISTRIBUTION	\$7,038,140	\$7,145,080
MAINTENANCE OF DISTRIBUTION PLANT	\$3,771,065	\$3,997,148
ACCOUNTING AND COLLECTION EXPENSES	\$1,304,792	\$1,393,300
OTHER CUSTOMER EXPENSES	\$540,246	\$551,778
ADMINISTRATIVE AND GENERAL	\$4,575,942	\$3,454,454
DEPRECIATION	\$6,863,889	\$6,485,962
TAXES	\$1,527,937	\$1,485,197
TOTAL OPERATING EXPENSES	\$131,078,511	\$151,133,181

OPERATING MARGIN BEFORE INTEREST CHARGES	\$5,984,824	\$1,965,243
INTEREST ON DEBT	\$1,728,623	\$1,811,880

OPERATING MARGIN BEFORE CAPITAL CREDITS	\$4,256,201	\$153,363
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CAPITAL CREDITS AND PATRONAGE DIVIDENDS	\$2,280,908	\$1,198,703
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OPERATING MARGIN	\$6,537,109	\$1,352,066
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INTEREST INCOME	\$796,445	\$330,038
OTHER INCOME / (LOSS)	\$9,400	\$(6,246)

NET MARGIN	\$7,342,954	\$1,675,858
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OTHER COMPREHENSIVE INCOME

AMORTIZATION OF GAIN (LOSS) ON POST-RETIREMENT BENEFIT OBLIGATION	\$(110,068)	\$885,156
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TOTAL NET MARGINS	\$7,232,886	\$2,561,014
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PATRONAGE CAPITAL - BEGINNING OF YEAR	\$117,304,923	\$118,193,142
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RETIREMENT OF CAPITAL CREDITS	\$(2,999,437)	\$(3,520,086)
UNCLAIMED CAPITAL CREDITS	\$194,422	\$70,853

PATRONAGE CAPITAL - END OF YEAR	\$121,732,794	\$117,304,923
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YOUR ENERGY DOLLAR

79.4%	POWER SUPPLY EXPENSE
8.1%	OPERATING & MAINTENANCE
4.4%	CUSTOMER ACCOUNTING & ADMINISTRATION
5.2%	DEPRECIATION
1.2%	GROSS RECEIPTS
1.3%	INTEREST ON LONG TERM DEBT
0.4%	OTHER



CAPITAL CREDITS RETURNED TO MEMBERS

2019 – \$2.5 million
2020 – \$4.0 million
2021 – \$3.5 million
2022 – \$3.5 million
2023 – \$3.0 million

WORKING WITH POLICY MAKERS

Citizens Electric advocates for local, state, and federal policies that are in the best interests of our member-owners.

STRENGTHENING RURAL COMMUNITIES

New and existing business growth is supported across the six-county service area.

BUILDING COOPERATIVE CONNECTIONS

Citizens Electric builds strong connections through numerous collaborations with members, other cooperatives and communities.

COMMITMENT TO COMMUNITY

Citizens Electric employees share their time and talent through participation in civic clubs, involvement on school boards, non-profit organizations and service clubs. Citizens also provides financial support to these various groups.



William Odneal, Board President and Steve Elsea, Manager of Member Services meet with Barry Hovis, Missouri State Representative



Ste. Genevieve High School FFA students visited with our team to learn about the electric utility industry.

REVIEW & ACCOMPLISHMENTS



- ▶ AWARDED \$9,500 TO HIGH SCHOOL STUDENTS TO ATTEND YOUTH TOUR & CYCLE
- ▶ AWARDED \$8,000 TO HIGH SCHOOL SENIORS IN SCHOLARSHIP SUPPORT
- ▶ CONTRIBUTED \$28,000 SPONSORING LOCAL EVENTS
- ▶ DONATED \$24,048 TO OPERATION ROUND-UP
- ▶ SOLD 1.6 MILLION MWHs TOTAL ENERGY TO MEMBERS
- ▶ RETURNED \$3.0 MILLION IN CAPITAL CREDITS TO MEMBERS

363
NEW MEMBERS
CONNECTED

OVER
99.9%
RELIABILITY RATE

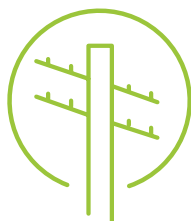
9.2
METERS PER
MILE OF
LINE

6
COUNTIES
SERVED

11,683
AVG. RESIDENTIAL
KWH USAGE
CONSUMED

77
FULL-TIME
EMPLOYEES

49
SUBSTATIONS
MAINTAINED



- ▶ OPERATED 2,822 MILES OF OVERHEAD DISTRIBUTION
- ▶ SERVED AN AVERAGE OF 24,609 RESIDENTIAL MEMBERS
- ▶ SERVED 2,657 COMMERCIAL & INDUSTRIAL MEMBERS
- ▶ \$249,960 ISSUED IN REBATES TO MEMBERS
- ▶ OPERATED 169 MILES OF UNDERGROUND DISTRIBUTION
- ▶ ACCOMMODATED 248 COMMUNITY SOLAR MEMBERS





78 ACSI®

HIGHER THAN THE NATIONAL AVERAGE

This customer satisfaction score is compared to the publicly reported averages for cooperative, municipal, and investor-owned utilities in 2023.*


WE VALUE OUR MEMBERS.

Contact us | 877-876-3511

Connect with us | cecmo.com



Citizens
Electric Corporation

A Touchstone Energy® Cooperative 

*Compared to publicly measured energy utilities in the ACSI® survey of customers rating their own energy utility. Results based on data provided by Citizens Electric Corporation, collected between October 23 – November 6, 2023. ACSI did not regulate the survey administration or sample size. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC. For more about the ACSI, visit www.theacsi.org.