

2022 ANNUAL REPORT



SUPPORT | ADVOCATE | EDUCATE



JACKSON PURCHASE ENERGY
A member-owned cooperative



SUPPORT

Because you are reading this annual report, chances are you already know that Jackson Purchase Energy Cooperative only exists because of the consumer-members who own our cooperative.

When JPEC was founded in 1937, friends and neighbors banded together to create a new kind of electric utility, where the voice of every person made a difference.

Electric cooperatives brought electric power to the countryside when no one else would. Today, JPEC and more than 900 other electric co-ops across America continue to answer that call. Focusing on customer needs, JPEC provides much more than competitively priced, reliable energy. We are committed to supporting our communities and improving the quality of life for the consumer-members who live here.

OUR BOARD

The support and dedication of our board is essential. In addition to providing supervision and guidance of JPEC, board members

receive important education and training, so they are prepared to support your co-op as we deal with the complex challenges of electric service.

Every member of the JPEC board of directors is a member of this co-op, democratically elected by the membership to represent the interests of all members, not special interests or outside agendas. JPEC board members are your neighbors, not some corporate or activist types who live hundreds or thousands of miles away.

MEMBER SUPPORT

As a cooperative, JPEC is your consumer advocate, speaking up for commonsense policies that promote reliable power as cost-effectively as possible.

With the support of our fellow co-ops, we advocate for member interests, such as preventing extra charges from appearing on your bill, promoting a robust mix of energy sources and protecting the not-for-profit cooperative business model.

From left: VP of Operations and Technical Services Ward Morgan, VP of Human Resources, Communications, and Member Services Scott Adair, President and CEO Greg Grissom, VP of Finance and Accounting Meredith Kendall, and VP of Engineering Travis Spiceland. These 5 individuals make up the senior staff at JPEC.

Opposite top: Apprentice Line Technician Jake Mills, Crew Leader Eric Todd and Journeyman Line Technician Jimmy Johnson work to frame a pole for a new service.

Member Service Representative Amber Daniels works with Staking Engineer Connor Riley to initiate a home service order for a new JPEC consumer-member.

On the cover: Dispatcher Jonas Roberts, Journeyman Line Technician Dustin Cope, Apprentice Line Technician Jake Mills and Journeyman Line Technician Micah Joiner work together to prepare for incoming storms. Photos: Tim Webb



Amid rampant inflation, JPEC is a resource hub for members who need help. Here are a few ways we follow the cooperative principle of “Concern for Community”:

- Participating in local school events including reality fairs and career days.
- In-kind support, such as hanging Christmas lights for Mike Miller Park’s Christmas in the Park annual light show and installing poles for training for our local police department.
- Awarding ten \$1,000 scholarships to local students across our service territory.
- Sponsoring students on the Kentucky Electric Cooperative Youth Tour experience.
- Employee contributions to our local United Way in the amount of \$22,597 for 2022.

COMMUNICATIONS

JPEC is committed to open, transparent and helpful communications. In *Kentucky Living*, social media and on jpenergy.com we share updates, tips and important information about our communities. We work to combat scam attempts targeting our members, from phone scams to dishonest sales pitches.

As a consumer advocate, JPEC is a clearing-house for reliable information about matters that affect your bill and electric service, such as the rising costs for fuels used to create electricity, energy



efficiency ideas to help manage your costs and protecting the sales tax exemption for utility services at primary residences.

ECONOMIC DEVELOPMENT

In partnership with Big Rivers Electric, JPEC supports local businesses and works to attract new employers. With some of the most competitive electric rates in the country and our record of reliability and resilience, we have a great story to tell.

ON THE LINE

All of us at JPEC are committed to the safe

support of our membership. Though any business benefits from a safety culture, the inherent dangers of electricity require JPEC to be especially dedicated to safety.

Our crews follow strict guidelines and receive regular training so that they can return home safely no matter the conditions or tasks at hand.

Your cooperative is part of a nationwide network of electric cooperatives that assist each other in times of natural disasters. JPEC has provided assistance numerous times to other cooperatives in Kentucky and across the southeast following hurricanes, tornadoes and ice storms. JPEC is always happy to assist fellow cooperatives in times of need and we are thankful for cooperatives that assist our restoration efforts when we are in need.

A SUPPORT NETWORK

Many people find support networks in a circle of friends, their extended family, a local church, self-help groups and even online communities. Our cooperative is supported by our members, as well as Big Rivers, the statewide association Kentucky Electric Cooperatives and the collaboration of more than 900 electric cooperatives across the country.

As JPEC provides this annual report of our operations, please know how much we value and rely on your support. We're here for you, too, as we all work together to support our local communities.

Manager of Member Services Ashley Turner and Accounting Analyst Becky Blackwell help to fold clothes for Hope Unlimited's clothes closet. This was a part of United Way's volunteer day called Project United.



Meter Technician Kelly Russell works to clean a playhouse at Lifeline Ministries. This was our 2022 Beautify the Bluegrass project. Photos: Ashley Turner

AGENDA

85th Annual Meeting Jackson Purchase Energy Cooperative

McCracken County High School

Tuesday, June 27

Drive-Thru Registration: Noon–5 p.m.

Business Meeting: 6 p.m.

The 2023 Annual Business Meeting will be held in the McCracken County High School Auditorium. Doors will open at 5 p.m. A recording of the meeting will be available online at www.jpenergy.com. Members may submit questions to be addressed at the annual meeting during the drive thru registration.

The annual membership meeting of this co-op organizes to take action on the following matters:

1. Determine quorum.
2. Reading of the notice of the meeting and proof of mailing.
3. Approval of membership meeting minutes held June 28, 2022.
4. Presentation of financial report.
5. Unfinished business (none).
6. New business.
7. Adjournment.

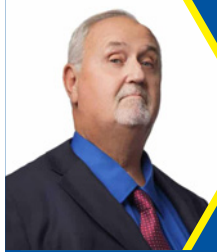
Comments from the floor.



Erick Harris
Chair



Jack Marshall
Vice Chair



Wayne Elliott
Secretary-Treasurer



Joshua Barnes
Director



Lee Bearden
Director



Kevin Bell
Director



David Brown
Director



Terry Teitloff
Director



Greg Grissom
President & CEO



Richard Walter
General Counsel

2022 Jackson Purchase Energy Cooperative YEAR IN REVIEW

CONSUMER-MEMBERS

2022 23,172

ACTIVE METERS

As of December 31, 2022

Ballard 2,895
 Carlisle 547
 Graves 2,419
 Livingston 5,897
 Marshall 4,966
 McCracken 13,792
 Total 30,516

AVERAGE KWH USAGE

(residential per month)

2022 1,197

MILES OF LINE

2022 2,986

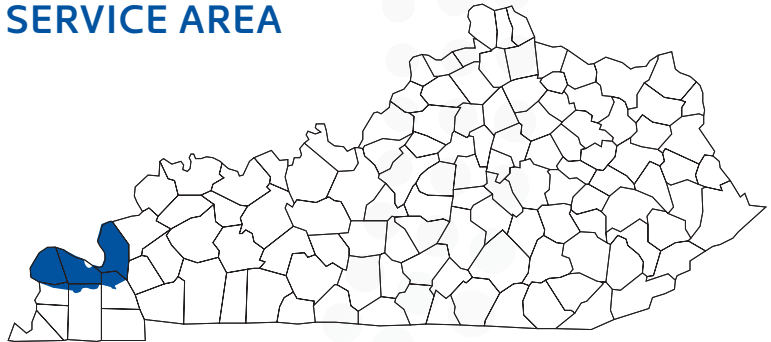
METERS PER MILE

2022 10.22

FOR INFORMATION AND INQUIRIES

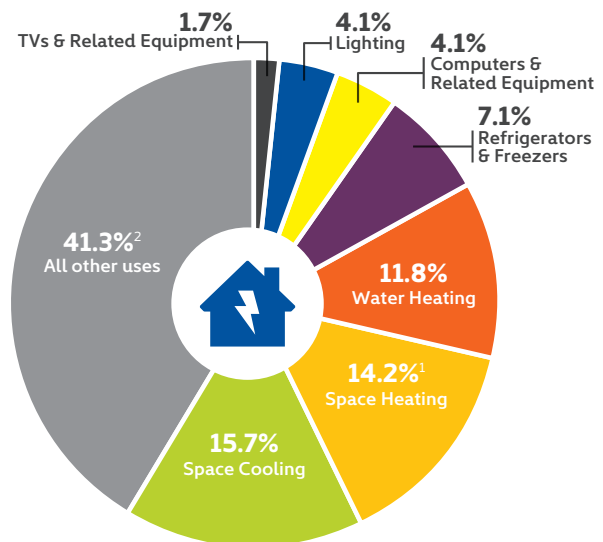
6525 US HWY 60 W
 Paducah, KY 42001
 (270) 442-7321
 jpenergy.com

SERVICE AREA



How Americans Use Electricity

The latest data from the U.S. Energy Information Administration shows the combined use of clothes washers and dryers, dishwashers, small appliances and other electrical equipment (noted as "all other uses" below) accounts for the largest percentage of electricity consumption in American homes.

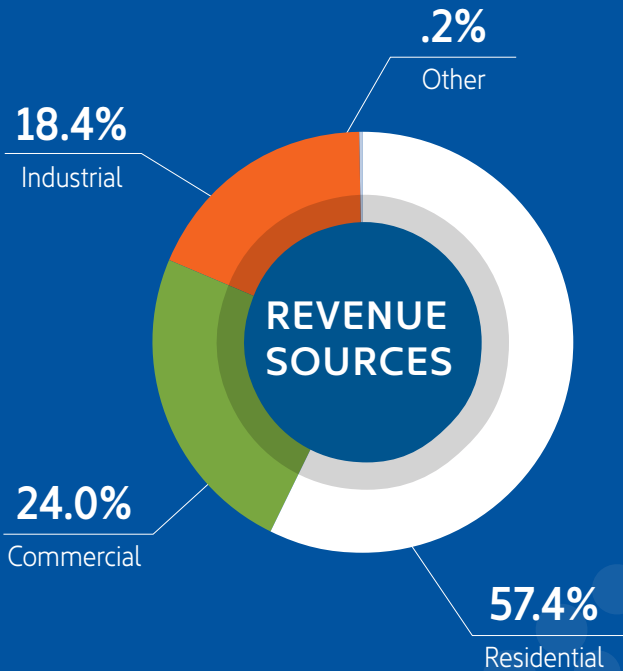


Source: Energy Information Administration 2021

¹Includes consumption for heat and operating furnace fans and boiler pumps.

²Includes miscellaneous appliances, clothes washers and dryers, stoves, dishwashers, heating elements, and motors.

FINANCIALS



STATEMENT OF OPERATIONS

As of December 31, 2022

Operating Revenue..... \$98,794,916

OPERATING EXPENSE

Purchased Power \$74,764,452
 Operating System..... \$15,390,061
 Depreciation.....\$7,066,167
 Taxes \$74,645
 Interest on Loans \$2,211,497
 Other Deductions \$8,730

Total Cost of Electric Service..... \$99,515,552

Operating Margins \$(720,636)
 Non-Operating Margins..... \$292,243
 Other Capital Credits \$340,237

Patronage Capital and Margins \$(88,156)

BALANCE SHEET

As of December 31, 2022

ASSETS

Total Utility Plant..... \$207,194,674
 Less Depreciation \$79,301,071
 Net Utility Plant \$127,893,603
 Investments in Associate Organization ... \$4,025,870
 Cash and Temporary Investments \$6,044,605
 Accounts and Notes Receivable \$7,784,977
 Inventory..... \$3,289,347
 Deferred Debits and Other Assets..... \$609,376
 Accrued Unbilled Revenue \$7,098,299

Total Assets \$156,746,077

LIABILITIES

Consumer Deposits.....\$5,180,065
 Membership and Other Equities \$50,286,522
 Long-Term Debt..... \$83,871,740
 Current Portion of Long-Term Debt.....\$3,575,900
 Notes and Accounts Payable.....\$9,611,439
 Other Current Liabilities..... \$4,220,411

Total Liabilities \$156,746,077

Official Notice

2023

Jackson Purchase Energy Cooperative Annual Meeting

TUESDAY, JUNE 27, 2023

McCracken County High School

6530 US HWY 60 W
Paducah, KY 42001

Drive-Thru Registration: Noon–5 p.m.
Business Meeting: 6 p.m.
Doors Open: 5 p.m.



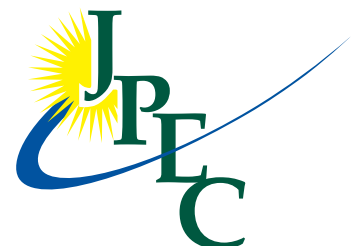
Member Rewards

Each member who registers will receive \$10 cash, free gift and bucket and bulb (limited to the first 700 members). Identification will be required, no exceptions will be made.

85th
ANNUAL
MEETING

- The 2023 Annual Business Meeting will be held in the McCracken County High School Auditorium. Doors will open at 5 p.m. A recording of the meeting will be available online at www.jpenergy.com.
- You may submit a question for the annual meeting at the drive-thru registration.

◀ District 3 Director Lee Bearden talks with one of JPEC's consumer-members during the 2022 membership appreciation days. Membership appreciation events are typically held in October. Watch *Kentucky Living* for upcoming dates!
Photo: Ashley Turner



JACKSON PURCHASE ENERGY
A member-owned cooperative

