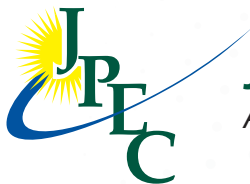




2023 ANNUAL REPORT

SUPPORT | **ADVOCATE** | EDUCATE



JACKSON PURCHASE ENERGY
A member-owned cooperative



ADVOCATE

The word "advocate" carries a rich and profound meaning, and it's what Jackson Purchase Energy is all about.

The Latin root words of "advocate" mean "to call to one's aid." At the heart of our member-owned cooperative is the mission to improve the quality of life for the people we serve.

For new members of Jackson Purchase Energy, this concept may be difficult to grasp. Why should a power company care about me? Isn't it just some corporation that's trying to sound good to its shareholders?

Jackson Purchase Energy advocates for our members because we belong to our members. As a cooperative, there are no out-of-town shareholders or parent companies profiting off our members. Jackson Purchase Energy is a not-for-profit utility that, from the very beginning in 1938 to this day, has always been led by and owned by the people we serve.

It means being your consumer-advocate and standing up for your rights, interests, and needs. Here are some key ways we advocate for you:

AFFORDABLE RATES

Jackson Purchase Energy works with Big Rivers Electric Cooperative to keep electric rates as low as possible. We not only advocate for fair, just

and reasonable rate structures, but our cooperative team also is accountable to members to manage our operations efficiently. This ensures that we can offer some of the most competitive electricity rates in the country.

A national energy study showed that electric cooperatives in Kentucky, including Jackson Purchase Energy, have some of the lowest overhead costs of any utilities in the nation.

RELIABILITY

We understand the essential role electricity plays in your daily life. Our cooperative invests in maintaining and upgrading our infrastructure to ensure a reliable power supply. We advocate for robust and resilient systems to minimize outages, and when they do occur, we strive to restore power quickly.

Our commitment to reliability was evident by reducing overall outage situations. JPEC reduced animal-related outages by over 18% from the previous year.

MEMBER EDUCATION

An informed member is an empowered member. We advocate for your right to understand your energy consumption and how to use electricity efficiently. Through *Kentucky Living* and

Above, Manager of Information Technology Mark Brueggert looks on as Dispatcher Jason Luebker works to test radio communication with crews

Above right, Accounting Analyst Sonja Collier explains an invoice to Manager of Warehousing and Purchasing Bobby Morehead.

Lead Billing & AMI Specialist Cassidy McClain works with crews to complete a new service order. Photos: Joe Imel

On the cover: From left, Taylor Colley, Zach Thweatt, Terry Dublin, David Cotton and Brady Cox. Photo: Joe Imel



online resources, Jackson Purchase Energy provides our consumer-members with the knowledge to make informed decisions about energy use.

COMMUNITY ENGAGEMENT

We believe in the power of community, and we advocate for the well-being of the communities we serve. Our cooperative actively supports local initiatives, charitable organizations and economic development efforts. Together, we strengthen our communities and advocate for their growth and prosperity.

Each year, Jackson Purchase Energy selects high school juniors to represent the co-op and learn about leadership, cooperatives and politics. Students from the Frankfort Youth Tour are then chosen to join students from around the country and enjoy a free trip to Washington, D.C. In addition to Youth Tour, each year, Jackson Purchase Energy offers ten \$1,000 scholarships to graduating seniors whose parents or guardians are served by Jackson Purchase Energy.

In addition to supporting our youth, Jackson Purchase Energy participates in the Beautify the Bluegrass initiative. This year, employees volunteered to beautify the Oscar Cross Boys & Girls Club of Paducah. A total of 10 volunteers spent 60 man-hours working on the project.

TRANSPARENCY AND ACCOUNTABILITY

Advocacy is also about being transparent and accountable in our actions. Jackson Purchase Energy shares our financial reports, operational updates and important decisions with you, our members.



Your input and participation in the cooperative's governance is crucial, and we advocate for and promote your right to elect the cooperative board. No matter the size of your home or your business, each member of Jackson Purchase Energy gets one vote.

Your democratically elected board members represent you and protect your interests.

In addition to updates through the co-op annual meeting, Jackson Purchase Energy regularly updates our membership in the pages of *Kentucky Living*, on our website, on social media and at local civic functions and events, such as the Rotary Club, Chamber of Commerce and local Economic and Development Committees.

RESILIENCE AND INNOVATION

We advocate for innovation and adaptability in a changing world. The energy landscape is evolving, and Jackson Purchase Energy is committed to staying at the forefront. By investing in smart technologies and exploring new ways to generate and distribute electricity, we ensure that you have access to the best services and the most cutting-edge solutions.

SPEAKING UP

Working with the 25 other electric cooperatives in Kentucky and more than 900 nationwide, Jackson Purchase Energy has a voice in Frankfort and Washington, D.C., speaking up on your behalf so policymakers understand the far-reaching consequences of their decisions.

When local governments attempted to affix new fees on your electric bill unrelated to your electric service, we banded together with our

fellow cooperatives to challenge these policies and keep bills as low as possible.

Our advocacy also means speaking up before a crisis rears its head, and making sure that elected leaders know Jackson Purchase Energy is paying attention to their votes.

We encourage our members not only to cast their ballots to decide who represents them on the Jackson Purchase Energy board, but also to participate in the nonpartisan Co-ops Vote initiative, reminding members to register and vote in elections.

CHALLENGES AND TRIUMPHS

The past year brought challenges that tested our resolve. From extreme weather to a regulatory environment that threatens the reliability of the electric grid, Jackson Purchase Energy is always focused on solutions and safety.

We celebrate triumphs in our daily advocacy for the safety and well-being of our employees and members, speaking up for your interests and adapting to new realities. Our commitment to you and your communities remains unwavering.

LOOKING AHEAD

As we reflect on the past year, we acknowledge that advocacy for our consumer-members is not a one-time effort but an ongoing journey. We are excited about the path ahead, as we continue to advocate for your best interests, ensuring that Jackson Purchase Energy remains a trusted partner in your lives.

VP of Finance and Accounting Meredith Kendall spreads fertilizer as part of our Beautify the Bluegrass project.
Photo: Ashley Turner

Line Technician David Cotton loads a power pole.
Photo: Joe Imel



AGENDA

86th Annual Meeting Jackson Purchase Energy Cooperative

Jackson Purchase Energy Cooperative Headquarters

6525 US HWY 60 W
Paducah, KY 42001

Tuesday, June 25

Drive-Thru Registration: Noon–5 p.m.

The 2024 Annual Meeting will be recorded and available for viewing online at www.jpenergy.com. Members may submit questions during the drive-thru registration.

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

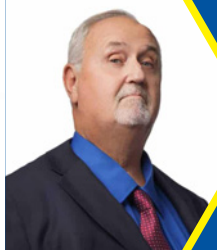
1. Determine quorum
2. Reading of the notice of the meeting and proof of mailing
3. Approval of membership meeting minutes held June 27, 2023
4. Presentation of financial report.
5. Announcement of Election Results
6. Unfinished business
7. New Business
8. Adjournment



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

2023 Jackson Purchase Energy Cooperative YEAR IN REVIEW

ACTIVE ACCOUNTS

As of December 31, 2023

| | |
|------------------|--------|
| Ballard | 2,880 |
| Carlisle | 551 |
| Graves | 2,423 |
| Livingston | 5,910 |
| Marshall | 4,989 |
| McCracken | 13,858 |
| TOTAL | 30,611 |

ACCOUNTS BILLED

| | |
|------------|--------|
| 2023 | 30,611 |
|------------|--------|

AVERAGE KWH USAGE

(residential per month)

| | |
|------------|-------|
| 2023 | 1,129 |
|------------|-------|

MILES OF LINE

| | |
|------------|-------|
| 2023 | 2,997 |
|------------|-------|

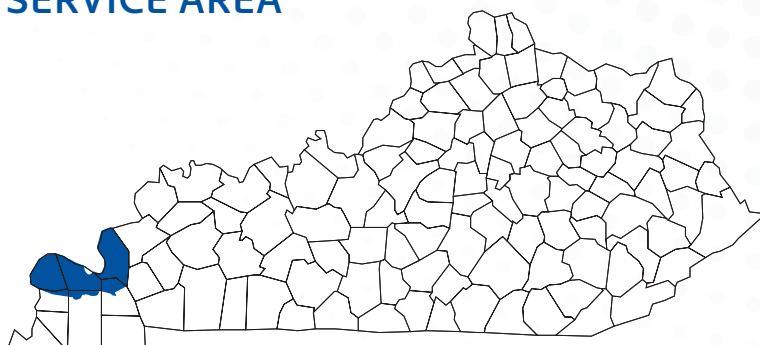
METERS PER MILE

| | |
|------------|-------|
| 2023 | 10.21 |
|------------|-------|

FOR INFORMATION AND INQUIRIES

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

SERVICE AREA

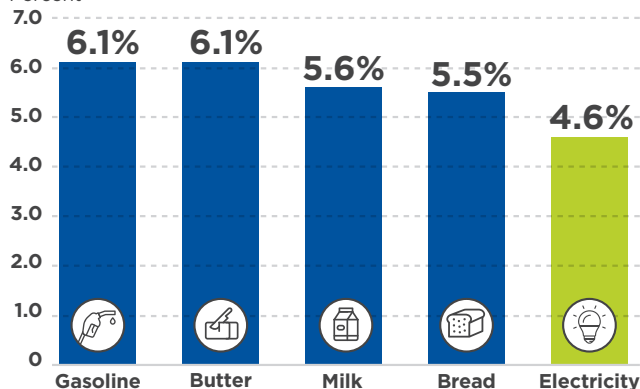


ELECTRICITY REMAINS A GOOD VALUE

Although inflation has led to increasing costs in many areas of our lives, the cost of powering your home rises slowly when compared to other common goods. Looking at price increases over the last five years, electricity remains a good value.

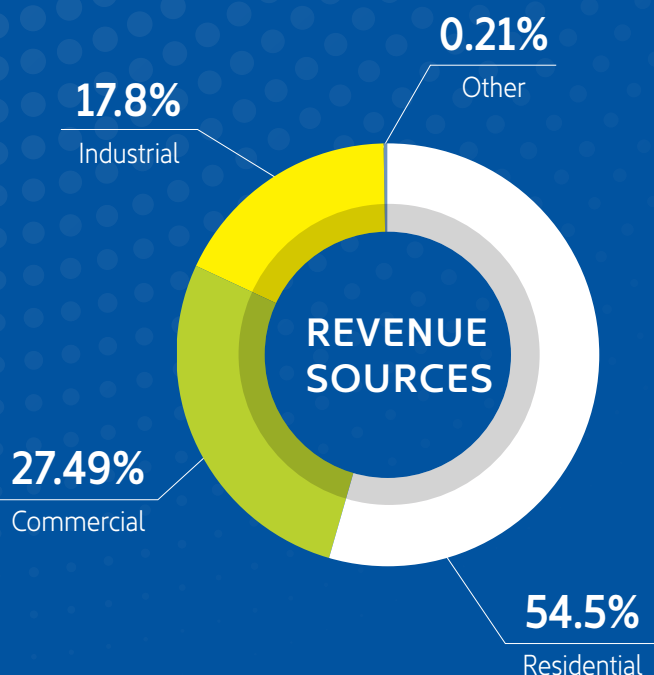
Average Annual Price Increase 2017-2022

Percent



Source: U.S. Bureau of Labor Statistics
Consumer Price Index

FINANCIALS



STATEMENT OF OPERATIONS

As of December 31, 2023

Operating Revenue..... \$91,386,262

OPERATING EXPENSE

Purchased Power \$65,791,745

Operating System..... \$15,334,943

Depreciation..... \$7,459,544

Taxes \$72,697

Interest..... \$2,660,893

Other Deductions \$1,439

Total Cost of Electric Service..... \$91,321,261

Operating Margins \$65,001

Non-Operating Margins..... \$309,467

Other Capital Credits \$474,329

Patronage Capital and Margins..... \$848,797

BALANCE SHEET

As of December 31, 2023

ASSETS

Total Utility Plant \$216,447,433

Less Depreciation \$82,292,796

Net Utility Plant..... \$134,154,637

Investments in Associate Organization..... \$4,352,511

Cash \$3,352,953

Accounts and Notes Receivable \$5,819,331

Inventory \$4,141,953

Prepaid Expenses \$484,255

Deferred Debits and Other Assets..... \$5,962,989

Total Assets \$158,268,629

LIABILITIES

Consumer Deposits..... \$3,309,619

Membership and Other Equities \$51,886,441

Long-Term Debt..... \$89,171,010

Current Portion of Long-Term Debt..... \$3,594,700

Notes and Accounts Payable..... \$6,801,079

Other Current Liabilities..... \$3,505,780

Total Liabilities \$158,268,629

Official Notice

2024

Jackson Purchase Energy Cooperative Annual Meeting

TUESDAY, JUNE 25, 2024

Jackson Purchase Energy Headquarters

6525 US Hwy 60 W
Paducah, KY 42001

Drive-Thru Registration: Noon–5 p.m.



Member Rewards

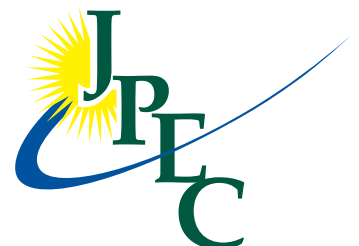
Each member who registers will receive \$10 cash, an umbrella and bucket and bulb.

**86th
ANNUAL
MEETING**

- The 2024 Annual Meeting will be recorded and available for viewing online at www.jpenergy.com.
- Members may submit a question for the annual meeting at the drive-thru registration.



It's all hands-on deck at JPEC's 2023 Annual Meeting. Sonja Collier, left, and Amber Daniels work in the registration line. Photo: Ashley Turner



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