



ANNUAL REPORT 2024



**CHOCTAW
ELECTRIC
COOPERATIVE**

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CEO & President Message

Powering Progress: Choctaw Electric Cooperative Celebrates 85 Years of Reliability and Growth

by CEO Kooney Duncan & President Brent Franks

For 85 years, Choctaw Electric Cooperative has stood as a pillar of dependable service and community commitment—now proudly serving over 22,000 members and standing as one of the fastest-growing cooperatives in the state.

Despite a rapidly shifting energy landscape, Choctaw Electric Cooperative has delivered record-setting results. In 2024 CEC delivered 521,616,013 kWh of electricity to its members. Since 2020, sales have risen by an impressive 11%, driven by smart investments in infrastructure, unwavering dedication to reliability, and a deep-rooted connection to the community.

Major projects from 2020 to 2024 included extensive right-of-way clearing (2,640 miles), spraying (2,350 miles), strategic pole change-outs (5,332 poles), and modernization initiatives to fortify the grid. These efforts have helped improve outage response times, increase system resilience, and ensure that members continue receiving the high-quality service they expect.

What's more, Choctaw Electric Cooperative maintains a strong financial foundation while investing in system maintenance and new construction projects to handle the unprecedented growth of over 23% since 2020. The plant has also grown from \$133 million to \$165 million during this time. CEC boasts a 60% equity ratio, one of the best equity positions in the state among cooperatives. This financial stability not only safeguards CEC's long-term sustainability but empowers continued reinvestment into the communities it serves.

Equally impressive is Choctaw Electric Cooperative's strong safety record—an achievement built on rigorous training, a proactive safety culture, and ongoing investments in protective equipment and technology. Since 2020 CEC has driven over 3,385,715 miles and worked over 722,428 hours without an OSHA reportable accident. Choctaw Electric Cooperative consistently exceeds industry standards for workers and public safety, a reflection of its commitment to the well-being of employees and members alike.

As Choctaw Electric Cooperative looks toward the future, our commitment remains unchanged: providing safe, reliable, and affordable electricity—while always putting our members first.



Kooney Duncan



Brent Franks



Since 2020, sales have risen by an impressive 11%, driven by smart investments in infrastructure, unwavering dedication to reliability, and a deep-rooted connection to the community.

Choctaw Electric Cooperative is Powering Progress

RELIABILITY



■ CEC keeps the lights on **99.99%** of the time despite ice storms, tornadoes, thunderstorms and high winds.

■ Since 2020, CEC has cleared **2,640 miles** of right-of-way and sprayed **2,350 miles** of line.

■ CEC has completed **5,332** strategic pole change-outs to fortify the grid since 2020.



COMMUNITY IMPACT



■ CEC returned **\$1.78 million** in capital credits to members in 2024 and has returned over **\$7 million** since 2020.



■ In 2024, CEC paid nearly **\$1.1 million** in gross receipts taxes to local schools.



■ CEC employs **64** local community members.



SAFETY

■ Since 2020, CEC has driven more than **3,385,715 miles** and worked over **722,428 hours** without an OSHA-reportable accident.

AFFORDABILITY

GROWTH



■ One of the fastest-growing co-ops in the state, CEC has grown **23%** since 2020.

■ Sales have increased **11%** since 2020.



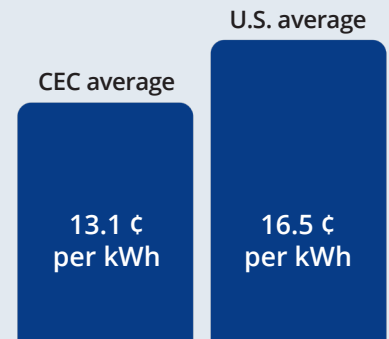
■ CEC added **292** new meters in 2024.

■ CEC has a **60%** equity ratio, one of the strongest among Oklahoma co-ops.

■ The average household on CEC lines spends **\$5.29/day** for electricity (about the cost of a specialty coffee).



■ The average CEC monthly residential bill is **\$158.61**.



■ Residential electric cost per kilowatt hour

METERS PER MILES OF LINE



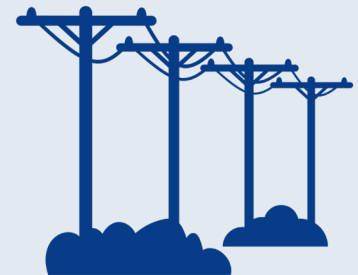
CEC: 5.7



Investor-Owned: 15-25



Municipalities: 50



■ Total miles of line: **3,824**
 ■ Meters served: **21,807**



CEC's 2024-2025 Board of Directors, from left: Jarred Campbell, Secretary-Treasurer Perry Thompson Jr., Ken Autry, Stacy Nichols, Vice President Bill Woolsey, President Brent Franks, Debbie Cody, Jana Burris and Jackson Ferguson.

Committed to Serving our Members

For 85 years, Choctaw Electric Cooperative has been guided by a board of trustees—local community members elected to represent the co-op's districts and committed to serving our members. Today, the board is made up of nine trustees, one from each district. Three trustee positions come up for election each year. This year, the incumbent trustees from Districts A, H and I have filed for re-election. You'll find their profiles to the right. As a CEC member, you're welcome to attend the board's monthly meetings, held the last Tuesday of each month at 9 a.m. at the CEC headquarters in Hugo. Meeting minutes are available at www.choctawelectric.net.



CEC serves more than
22,000 MEMBERS.



Serving members for
85 YEARS.



Service territory spans
6 COUNTIES.

Board of Directors



■ DISTRICT A

Jarred Campbell has served on the CEC Board of Trustees for 6 years. He works in state government for the Little River Conservation District and is involved with the Idabel Chamber of Commerce, Haworth Fire Department, livestock board, hospital board and the Oklahoma Water Resources Board. As a CEC board member his priorities include educating members about the Power Cost Adjustment (PCA), listening to members and staying responsive to change. Campbell lives in Idabel with his wife, Allison. In his spare time, he enjoys volunteering, farming and spending time with his children.



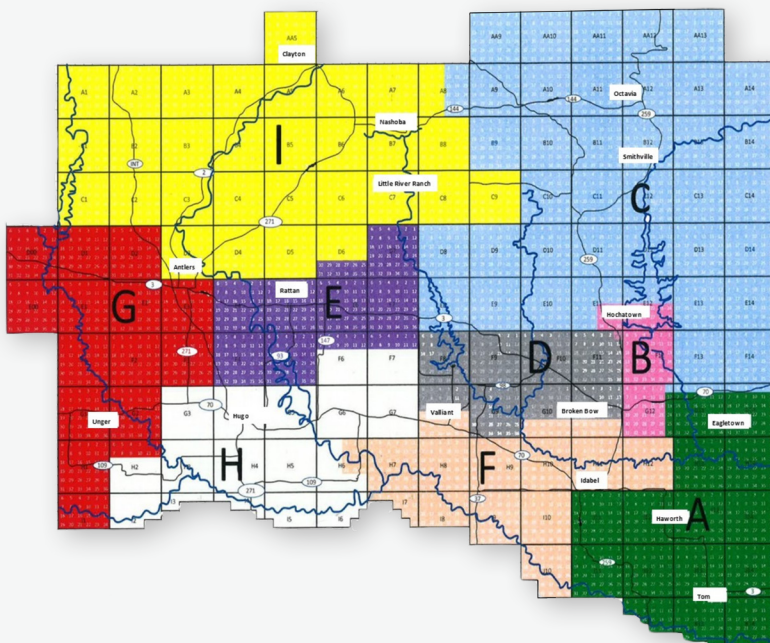
■ DISTRICT H

Jackson Ferguson has served on the CEC Board of Trustees for three years. He also serves on the Soper Cemetery Board and the Choctaw County Farm Service Committee. Ferguson's goals as a CEC board member include ensuring financial stability, managing growth in northern McCurtain County, and preparing for increased demand from electric vehicles and data centers. He is committed to staying informed so he can help CEC adapt to the changing energy landscape. Ferguson values family, ranching, community involvement, enjoys investing and participating in local events. He and his wife, Brenna, make their home in Soper.



■ DISTRICT I

Kenneth Autry has served on the CEC Board of Trustees for eight years and represents the co-op on the Western Farmers Electric Cooperative board. Autry is active in the Masonic Lodge, Lions Club, Snow Community Organization and serves as a political advocate for southeastern Oklahoma. His priorities include keeping costs low, maintaining reliability, increasing transparency, returning capital credits more quickly, and supporting conservative financial practices. He believes CEC should take initiative in supporting the economic growth of Pushmataha and Choctaw counties as technology expands into rural areas. Autry enjoys hunting, fishing, woodworking, traveling and learning about the power industry, including nuclear and green energy and data centers. He is retired and lives in Snow with his wife, Barbara.



■ District Map

Choctaw Electric Cooperative's service territory is divided into nine voting districts. Members elect one trustee from each district to represent them on the board. To locate your voting district, please refer to the map (left), or find your district printed on your electric bill.

Income Statement & Balance Sheet

For the year ended December 31, 2024

Operating Revenues

Residential	\$41,538,968
Commercial & Industrial	13,931,306
Public Buildings & Other Authorities	(322,236)
Other Electric Revenue	511,236

Total Operating Revenues **\$55,659,274**

Operating Expenses

Purchased Power	34,478,865
Distribution - Operation	2,068,698
Distribution - Maintenance	4,552,480
Consumer Accounts	1,223,298
Customer Service and Information	428,141
Administration & General	2,316,424
Depreciation	4,737,674
Taxes	170,571
Other Interest	203,635
Other Deductions	35,525

Total Operating Expenses **\$50,215,311**

Operating Income - Before

Fixed Charges **\$5,443,963**

Fixed Charges

Interest on Long-Term Debt 1,717,197

Operating Income - After

Fixed Charges 3,726,766

G&T Capital Credits 1,624,017

Other Capital Credits 283,967

Total Capital Credits **\$1,907,984**

Net Operating Income **\$5,634,750**

Non-Operating Margins

Interest & Dividend Income 59,106

Unrealized Gain on Equity Investments (1,078,735)

Realized Gain on Equity Investments 1,566,045

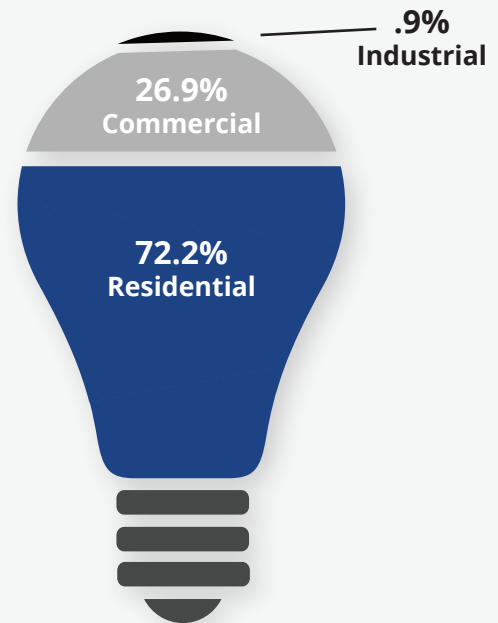
Other Non-Operating Income 107,247

\$653,663

Net Margins **\$6,288,413**

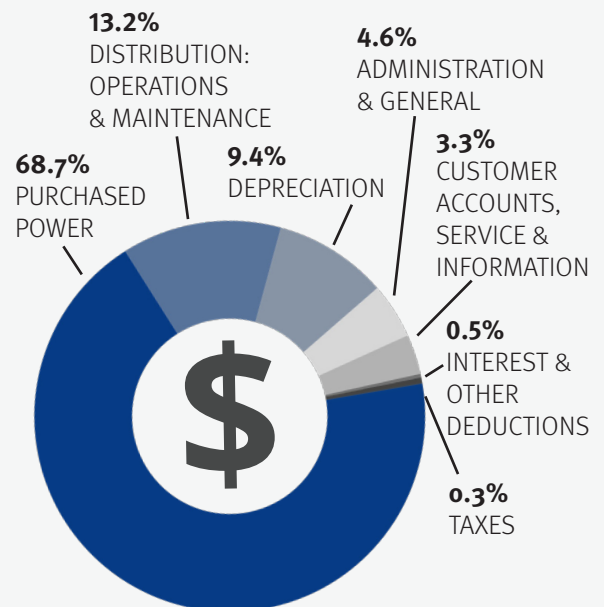
WHERE THE DOLLAR COMES FROM

CEC's operating revenues come from residential, commercial and industrial sources.



WHERE THE DOLLAR GOES

CEC has 7 categories of operating expenses, more than 2/3 of which goes to purchased power.



Audit performed by Bolinger, Segars, Gilbert & Moss, L.L.P., Lubbock, Texas.

WHAT WE OWN

■ ASSETS	2024	2023
Utility Plant at Cost		
Electric Plant in Service	\$161,711,453	\$152,463,914
Construction Work In Progress	3,313,471	4,728,324
	\$165,024,924	\$157,192,238
Less: Accumulated Provision for Depreciation	55,423,017	54,119,143
	\$109,601,907	\$103,073,095
Other Property & Investments at Cost or Stated Value		
Investments in Associated Organizations	\$27,176,305	\$25,598,063
Notes Receivable	240,079	209,556
Other Investments	30,159	28,861
	\$27,446,543	\$25,836,480
Current Assets		
Cash - General	\$327,887	\$699,736
Available-for-Sale Investments	3,822,360	6,337,864
Notes Receivable - Current Portion	59,395	51,764
Accounts & Notes Receivable - less allowance for \$220,531 in '22	4,494,962	3,565,893
Accrued Unbilled Revenue	2,921,584	2,813,053
Material & Supplies	2,512,710	3,986,296
Other Current & Accrued Assets	46,834	72,161
	14,185,732	17,526,767
Deferred Charges	0	1,589,994
TOTAL ASSETS	\$151,234,182	\$148,026,336

■ EQUITIES & LIABILITIES

Long-Term Debt		
CFC Mortgage Notes Less Current Maturities	9,786,077	10,765,993
CoBank Mortgage Notes Less Current Maturities	35,544,542	31,882,124
	\$45,330,619	\$42,648,117
Non-Current Liabilities		
Accumulated Post-Retirement Benefit Obligation	\$858,106	\$896,186
Current Liabilities		
Current Maturities of Long-Term Debt	\$3,332,918	\$3,376,364
Current Portion of APBO	135,582	120,127
CFC Line-of-Credit	915,220	3,840,576
Accounts Payable - Purchased Power	2,979,263	2,741,638
Accounts Payable - Other	760,796	1,084,848
Consumer Deposits	410,116	348,027
Accrued Employee Benefits	677,786	634,200
Accrued Interest	165,319	150,480
Overcollected Power Cost	200,215	522,451
Other Accrued Expenses	125,272	144,712
	\$9,702,487	\$12,963,423
Deferred Credits	\$5,029,800	\$5,276,725
Equities		
Memberships	\$80,050	\$79,065
Patronage Capital	84,823,856	79,734,431
Other Equities	8,966,001	9,168,200
Other Comprehensive Income (Loss)	(3,556,737)	(2,739,811)
	\$90,313,170	\$86,241,885
■ TOTAL EQUITIES & LIABILITIES	\$151,234,182	\$148,026,336

WHAT WE OWE

OUR NET
WORTH

2024 Annual Meeting Minutes

■ WELCOME AND CALL TO ORDER

President Brent Franks called the 84th Choctaw Electric Cooperative Annual Meeting of the Members to order at 10:00 am. He welcomed everyone for coming out and attending the meeting. Upon call from President Franks, the members stood for the Pledge of Allegiance and Invocation. Members remained standing for the National Anthem.

Mr. Franks, representing District G, introduced himself and the Choctaw Electric Trustees:

- Jarred Campbell, Vice-President, District A
- Perry Thompson, Jr., Secretary-Treasurer, District E
- Jana Burris, District B
- Stacy Nichols, District C
- Bill Woolsey, District D
- Debbie Cody, District F
- Ken Autry, District I
- Jackson Ferguson, District H

The CEO and General Manager, Kooney Duncan, and Council for the Cooperative, J. Frank Wolf III, were also introduced. Several guests were acknowledged by President Franks that included: Emma Bundy, CEC Youth Tour Delegate; Claire Burris, CEC Youth Tour Delegate; David Sonntag, V.P. Special Products, WFEC; Eddie Dempsey, State Representative, District 1; Katie Carroll, Field Representative for U.S. Congressman Josh Brecheen; Sondra Boykin, Communications, WFEC; Mike Meason, V.P. Information & Security, WFEC; and Emily Maxwell-Herron, District Judge, District 17.

■ DECLARATION OF QUORUM

Perry Thompson, Jr., Secretary-Treasurer of the Board, reported the bylaws require at least five percent of the cooperatives' membership for a quorum to conduct business at the annual meeting. Mr. Thompson announced that the total number of members registered exceeded the 770 required. Therefore, a quorum was reached, and the business meeting could proceed.

■ PROOF OF MAILING OF NOTICE OF MEMBER MEETING

Mr. Thompson reported that the Notice of Member Meeting was mailed to each CEC member in accordance with the bylaws. The receipt from the post office in O'Fallon, Missouri verified that 15,350 pieces of mail containing the Official Notice were delivered to the U. S. Post Office and mailed on September 3, 2024.

■ FINANCIAL REPORT

Mr. Thompson presented the audited financial summary of the cooperative. During 2023, CEC Net Operating Income totaled \$5,033,940 compared to \$5,551,481 in 2022. Total assets totaled \$148,026,336 at the end of 2023 compared to \$143,071,795 in 2022. In 2023 Choctaw Electric grew in asset size by \$4,954,451. The cooperatives' long-term debt decreased by \$371,899 in 2023.

■ MINUTES OF 2023 ANNUAL MEETING

President Franks reported that the minutes of the business meeting conducted during the 2023 annual meeting were published in the September 2023 Annual Report issue of "Inside Your Coop" newsletter. President Franks received a motion from CEC member Lena Christian to approve the 2023 Annual Meeting minutes as printed in the Annual Report. The motion received a second by CEC member Connie Willborn. The motion carried.

■ PRESIDENT'S REPORT

President Franks reported that the cooperative is doing well financially. Board members are being frugal with money and members are not being overcharged for electricity. He encouraged members to attend the monthly board meetings and ask questions if they want to know more. Choctaw Electric staff members are available daily to answer questions in the offices. He personally thanked the staff and linemen for the great job they are doing.

Next, President Franks focused on several community-based projects the cooperative has been involved with this year. He updated the members about an Influencer Focus group that was hosted at Choctaw Electric by OAEC. Other projects such as a Safety Video that included local EMS was produced, District meetings were held, and a Buddy Ball game for special needs adults and children were hosted. He then reminded members that the board has kept electricity rates consistent. The Board's goal is to keep rates low and to have safe, reliable, and affordable electricity for our members.

■ CEO'S REPORT

Kooney Duncan, CEO, thanked the board and staff members for all they did throughout the year. He emphasized the importance of members voicing their opinions through the elections. Choctaw Electric strives to "Provide reliable, safe and affordable energy services to the members we serve."

Mr. Duncan began by speaking on the financial status of the cooperative. Since 2014 to present, Choctaw Electric has reduced their debt by \$23 million. Choctaw Electric has the second highest equity in the state among cooperatives, meaning they own more than they owe for. The \$7.1 million cost incurred from Storm Uri was financed over a five-year period, and the cooperative didn't pass the cost off to members. Choctaw Electric was also able to continue to pay back over \$2 million in capital credits back to the members.

The Gross Receipts tax is also a way Choctaw Electric gives back to the community. 95% of the gross-receipts tax is paid back to local schools. One school received over \$100,000 this year, which is nearly enough to cover their electric bills for the year.

2023 was one of the busiest years the Cooperative has had on the operations side with over 1,000 poles being changed out. Choctaw Electric has two Right of Way crews that work full-time in addition

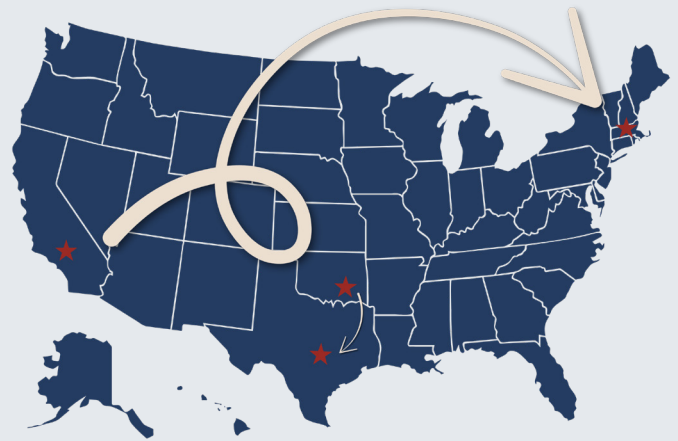


A RELIABLE SYSTEM

■ Since 2020, crews have changed out **5,332 poles** which is enough poles to construct a new line from Antlers, OK to Austin, TX.

■ Since 2020, crews have cleared **2,640 miles** of right of way, which is the straight distance across the United States from Los Angeles, CA to Boston, MA.

■ All of this has been accomplished without raising costs for our members.



to their in-house crew. The entire system has been cleared, and the rotation has started over.

Choctaw Electric has also seen significant growth in the past few years. Since 2019, over 3,000 meters have been added to their system. All this has been done while promoting safety among the employees. Choctaw Electric has the largest service territory by land mass in the state. Since 2019, no lost time accidents have been reported, all while working over 680,000 hours.

Choctaw Electric is currently working on a 16-mile project from Bethel to Hochatown at the cost of \$3.5 million. They will also begin two substation upgrades with WFEC and build one new substation. Both of these will help with reliability and back feeding. Currently a \$3.5 million- meter changeout project is going on. There is a lot of money going out, but it is being managed very closely.

■ ELECTION RESULTS

Frank Wolf, co-op attorney, announced the Board of Trustee Election and Bylaw Amendment results.

Trustee Elections

Members approved the re-election of the unopposed candidates for trustee.

- District D – Bill Woolsey
- District E – Perry Thompson, Jr.
- District F – Debbie Cody

Bylaw Amendment

Article IV: Trustees, Section 4.10 Compensation; Expenses; Indemnification.

For (1058) Against (339)

The Bylaw Amendment passed.

The new Bylaw will read: “For their attendance at meetings of the Board of Trustees, trustees, shall, on a per-diem basis, receive such fee as is fixed by the members. The per diem basis of payment is calculated at \$550.00, for the first per diem each month and then \$50.00 per day thereafter for all other meetings attended. No trustee shall receive compensation from any other business associated with the cooperative, EXCEPT compensation from Western Farmers Electric Cooperative.

Trustees shall not be entitled to any additional benefits greater than any member of the cooperative receives. This includes but not limited to: cooperative health insurance and purchasing goods from the cooperative at cost. They shall receive reimbursement for travel and out-of-pocket expenses, incurred as a result of performing necessary duties relative to their positions as trustee. If a trustee is accompanied by another person (s), that person (s) is responsible for his/her travel and out-of-pocket expenses. No trustee or relative of a trustee shall receive compensation for serving the cooperative in any other capacity. Trustees will receive the current IRS rate for food.

The cooperative shall indemnify its trustees, officers, agents and employees, and may purchase insurance to cover such indemnification against all liability arising out of their acts in their official capacities if they shall have acted in good faith and deemed such acts to be in the best interests of the Cooperative or not against its best interests.

Upon leaving the Board of Trustees, a former trustee or a close relative of a former trustee, shall not be allowed to be awarded contracts or receive any financial compensation from the cooperative for a period of five years. Payments to a Board Trustee will be made on submission of an expense report and report of related activities which shall be noted and included in Board meeting minutes. Unless otherwise required by applicable state or federal law, former trustees shall not receive any benefits or be eligible to participate in cooperative health benefits.”

■ GRAND PRIZE DRAWINGS

- \$500 Bill Credit – Glenda Spencer, Broken Bow
- \$500 Bill Credit – Trinity Baptist Church, Hugo
- \$500 Bill Credit – Hank Thompson, Garvin
- \$1000 Bill Credit – Stephen Poe, Clayton

■ NEW BUSINESS

Mr. Franks asked for any new business to be discussed. No new business was brought up. There being no further business and no objection, the 2024 Annual Meeting of the members was adjourned at 10:45 a.m.

Please join us for Choctaw Electric Cooperative's

85th Annual Meeting

Saturday, Sept. 27 at the Pushmataha County Fairgrounds, Antlers, OK

Fun for everyone!

- Vendor Booths ■ Refreshments
- Kids Activities ■ Gifts & Prizes

**Grand Prize:
\$1000 bill credit***

*Register in-person at the Annual Meeting or submit your mail-in ballot to be eligible for the grand prize drawing.

Be sure to cast your vote!

Vote using the mail-in ballot in your CEC voter packet, and return the ballot by 5 p.m. on Sept. 26. All completed and returned ballots will be included in the grand prize drawing, unless otherwise marked on the ballot. Or, cast your ballot at the CEC Annual Meeting. Mail-in ballots count as registration and help ensure the required quorum necessary to conduct business. **Without a quorum of at least 5% of the CEC membership, the cop must hold another meeting within 90 days.**

Schedule of Events

8 a.m. | Vendors Open

8-10 a.m. | Registration & Voting

8:45-9:30 a.m. | Prize Drawings

10 a.m. | Meeting Begins

- Final Call for Ballots
Frank Wolf III, CEC Attorney
- Welcome & Call to Order
- Invocation & Pledge of Allegiance
Brent Franks, President
- Declaration of Quorum
- Official Notice of Meeting & Proof of Mailing
- Financial Report
Perry Thompson Jr., Secretary-Treasurer
- President's Report
Brent Franks, President
- Manager's Report
Kooney Duncan, CEO
- Election Results
Frank Wolf III, CEC Attorney
- Other Business
- Adjournment of Meeting
Brent Franks, President
- Grand Prize Drawing
Kooney Duncan, CEO

CELEBRATING 85 YEARS!

