



A Touchstone Energy  
Cooperative 

# 2022 ANNUAL REPORT

# ANNUAL MEETING AGENDA

**Welcome and Call to Order**

*Gerald Edmondson, CHELCO Board President*

**Invocation**

*Ronnie Jones, District 5 Trustee*

**Presentation of Colors, Pledge of Allegiance & National Anthem**

*Walton High School JROTC*

**Introduction of Special Guests and Board of Trustees**

*Gerald Edmondson*

**Determination of Quorum & Announcement of Election Results**

*Jeff McInnis, CHELCO Board Attorney*

**Approval of Minutes**

*Gerald Edmondson*

**President's Report**

*Gerald Edmondson*

**Treasurer's Report**

*Gayle Hughes, CHELCO Board Secretary/Treasurer*

**Introduction of CEO**

*Gerald Edmondson*

**CEO Address**

*Steve Rhodes, CHELCO Chief Executive Officer*

**Notice of Any New or Old Business**

*Gerald Edmondson*

**Adjournment**

*Gerald Edmondson*

**Entertainment**

*Voices of Northwest Florida*

**Scholarship Drawing**

*Chelsea Blaich and Tyler Wood, CHELCO Communications Staff*

**Prize Drawing**

*Chelsea Blaich and Tyler Wood*

**Meeting Adjournment**

**A full video recording of the Annual Meeting will be posted to our website at [CHELCO.com/Annual-Meeting](https://www.chelco.com/Annual-Meeting).**



**CHELCO Board of Trustees**

## ABOUT CHELCO

Since 1940, Choctawhatchee Electric Cooperative, Inc. (CHELCO) has served our communities by providing safe, reliable and affordable electricity. Although we've grown significantly over the years, our values have always remained the same. We're committed to improving the quality of life for our members and making a positive impact in the lives of those around us. CHELCO is a not-for-profit electric cooperative serving more than 63,000 accounts in Okaloosa, Walton, Holmes and Santa Rosa counties, and we are proud to serve these communities!



### OUR MISSION

Safely provide quality services and products at a competitive value while adhering to the cooperative principles.



### OUR VISION

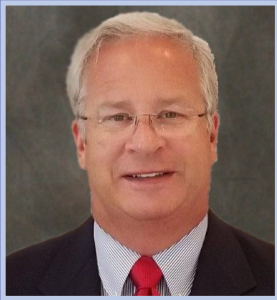
Continuously promote the quality of life for our members, employees and communities within the scope of our core busines.



### OUR VALUES

Safety First  
 Commitment to Community  
 Honesty & Integrity  
 Excellence in Service  
 Leadership with Accountability  
 Continuous Improvement  
 Outstanding Teamwork

# BOARD OF TRUSTEES



**Lee Perry**  
District 1



**Terry Pilcher**  
District 2



**Reese Harrison**  
District 3



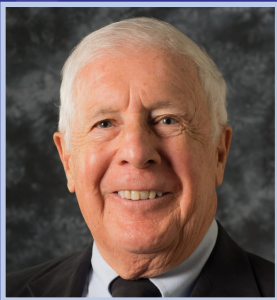
**Brady Bearden**  
District 4  
*Vice President*



**Ronald Jones**  
District 5



**Gerald Edmondson**  
District 6  
*President*



**Bert Prutzman**  
District 7  
*Asst. Secretary/Treasurer*

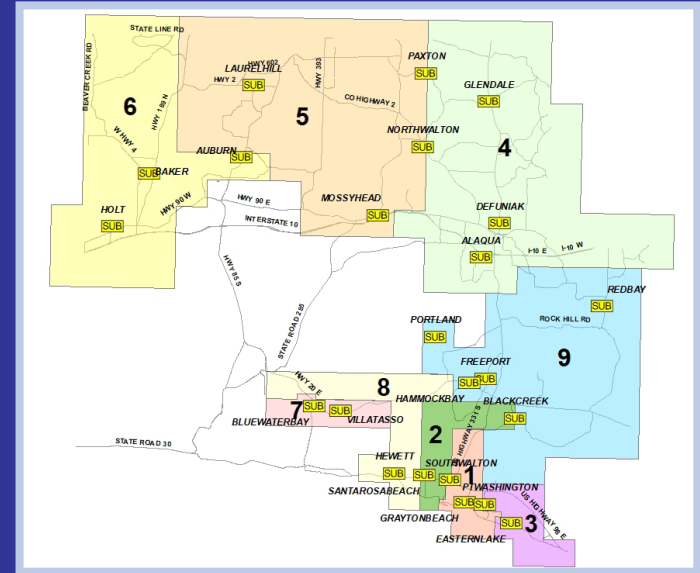


**Gayle Hughes**  
District 8  
*Secretary/Treasurer*



**Dwayne Davis**  
District 9

# DISTRICT MAP



## MESSAGE FROM THE BOARD PRESIDENT

As a not-for-profit electric cooperative, CHELCO exists to serve its members. I value the cooperative model, because it means working together toward a common goal. The board understands how the decisions we make affect you, the rates you pay and the quality of service you receive. Democratic member control is one of the seven cooperative principles. This separates us from investor-owned utilities, because each member has a vote, and members are elected to represent their district on the Board of Trustees that governs CHELCO.

**-Gerald Edmondson, CHELCO Board President**

# 2022 IN PICTURES



# CEO REPORT

I am honored to have the opportunity to serve CHELCO as the Chief Executive Officer. I have now been with CHELCO for 10 years, and over the past decade, I have seen our cooperative go through many changes as we continue to adapt to the rapidly evolving energy industry.

After facing many COVID-related challenges in the previous two years, 2022 signaled a return to normal for most of us. While there are still some lingering effects from the pandemic prevalent throughout society, I am thankful that our most uncertain days are now in the past, allowing us to return to business as usual at CHELCO.

To recap 2022 in detail would be to write a book with many chapters. However, I'll do my best to talk about our biggest achievements, major projects completed and most significant obstacles overcome.

## **Safety**

Our primary focus at CHELCO is always safety, and as CEO, my top priority is ensuring all of our employees go home safely to their families at the end of each day. I

am thankful to have an entire team that has bought into the importance of maintaining and improving our safety culture. As I write this, we have gone more than one full year without a lost-time injury, which I'm certainly proud of, but we're always striving to improve. Our Safety Team continues to implement strategies to keep our employees, members and the general public safe, and our prioritization of safety will continue in all aspects of our co-op.

## **Maintaining Affordable Rates**

Despite the many challenges of the past year, we were able to maintain affordable rates in 2022. We have not had a distribution rate increase since 2013, and with inflation totaling nearly 30% over the past decade, according to the U.S. Bureau of Labor Statistics, that's quite the accomplishment. In fact, a statewide study was conducted in December on the rates of the 16 electric cooperatives in Florida, along with several major investor-owned utilities throughout the state. The study revealed that our rates were the lowest among the co-ops in Florida at the 1,000 kilowatt-hours (kWh) per month mark at \$135.01. Additionally, our monthly cost

at 1,000 kWh was approximately \$17 less than Florida Power & Light (\$135 to \$152). It's always beneficial to see where we align in relation to our peers, and I'm proud of our efforts to keep our controllable expenses low while maintaining affordable rates for our members.

## **Headquarters Updates**

As most of you know, CHELCO made a major transition in 2022, completing our move to our new headquarters campus in March. While the crosstown move was not far, leaving the cooperative's home of eight decades at Baldwin Avenue in DeFuniak Springs was a major undertaking that required all hands on deck. I'm proud of our team for making the transition a smooth one, and I'm grateful to our members for quickly adjusting to our new location. Construction continues for our new mechanic and facilities maintenance shop, and I will have updates on that phase of construction as it progresses.

## **Growth and Supply Chain Challenges**

One of the primary challenges we faced in 2022 was keeping up with our rapid membership growth amid the supply chain

# CEO REPORT

crisis. Of course, this has been a hurdle that many industries and individuals were forced to manage in the past year. From delays on electric distribution infrastructure to bucket trucks, our industry has been forced to adapt over the past year. Coupling these materials issues with our membership growth of 4 percent, which is four times higher than the national average, our team continues to face a major challenge. I'm thankful that these challenges have not impacted our service reliability or local costs, and we'll continue to work hard on your behalf to keep your service safe, reliable and affordable.

## Community Support and Engagement

At CHELCO, we follow the Seven Cooperative Principles, which help guide our strategic planning to ensure we are making decisions in the best interests of our members, employees and our community. The seventh principle, Concern for Community, continued to shine at CHELCO in 2022. Whether it was through our member-funded Operation Round Up program, member appreciation events, fundraisers or other community involvement, we – our employees AND members – teamed up to support our community in a major way in 2022. We

awarded \$78,800 in Operation Round Up grants, \$6,000 in scholarships to members pursuing their education and just shy of \$20,000 in employee donations to charitable organizations. These are only a few examples of how our co-op as a whole, and our employees as individuals, have a heart for our communities.

## Preparing for the Future

Every three years, our team works together to identify potential areas of focus for the near future. We call this process “Strategic Planning.” In 2022, after surveying CHELCO employees, our leadership team and board of trustees created a three-year strategic plan that consists of five overall initiatives to guide us through 2025:

- Enhance Employee and Public Safety Programs
- Leverage Technology to Increase the Efficiency and Security of the Cooperative's Resources
- Innovate to Meet the Changing Needs of a Diverse Membership
- Attract and Cultivate a Highly Skilled, Engaged and Diverse Workforce
- Effectively Manage Cooperative Resources in an Era of High Inflation and Persistent Supply Chain Issues

All of these initiatives are rooted in serving you – our members – and ensuring you have access to safe, reliable and affordable electricity as long as we serve you.

## Some Things Never Change

I've said it many times before: I'm proud of the way our cooperative has handled the challenges of the past few years, rolling with the changes and doing whatever was necessary to provide excellent service. However, my pride in CHELCO is not rooted in the changes, but rather, in the things that have never changed, no matter the circumstances. Our commitment to our members, communities and each other has continued through the many challenges we have faced since we first turned the lights on more than 80 years ago, and that is irrefutably what makes me proudest to lead this co-op.



**Steve Rhodes**  
CHELCO CEO



# 2022 HIGHLIGHTS

## POWERED BY YOU

In 2019, we adopted the tagline “Powered by You.” This phrase is targeted toward our members, because the only thing that keeps us going - what “powers us” - is you.

As a member-owned, not-for-profit electric distribution cooperative, our primary mission is to safely provide quality services at a competitive value while adhering to the seven cooperative principles. As a member of your cooperative, you are more than just a customer. You have a say in how your co-op is run, through the election of your fellow CHELCO members to the Board of Trustees. You own the co-op, and since we do not have to answer to investors, any excess margins that we have at the end of the year are used to fund growth and improvement to the system or are retired and returned as capital credits.

Because we are a cooperative, we strive to do more than just keep the lights on; we aim to be a pillar of support for our local community. With your help, CHELCO is able to truly make an impact on the communities in the Florida Panhandle and beyond. From each of us at CHELCO, thank you. We are proud to serve you and proud to be **Powered by You!**



**CHELCO Executive Team**

## 2022 PROGRESS REPORT

Each year, CHELCO focuses on controlling costs while maintaining or improving safety, reliability, member satisfaction and employee engagement. 2022 was another year in which we navigated the energy industry’s challenges, most prominently supply chain issues, increasing costs and the rapid growth of our electric system. Despite these challenges and more, 2022 turned out to be a very successful year for our co-op in safety, reliability, affordability and overall member satisfaction.

## MEMBER SAVINGS AND AFFORDABLE RATES

2022 marked the ninth consecutive year in which CHELCO’s distribution rates did not increase. You may have noticed slight fluctuations in the wholesale power cost adjustment (WPCA) portion of your energy bill. These are pass-through costs in direct correlation with the costs incurred by our wholesale power provider, PowerSouth Energy Cooperative, to generate power. Considering the volatile natural gas market over the past year, PowerSouth has done an excellent job of keeping wholesale power rates affordable, in turn keeping your monthly bills significantly lower than the national average and our local competitors.

CHELCO’s continued efforts to maintain affordable rates and safe, reliable energy were impactful in 2022, a year highlighted by inflation and supply chain crises. In total, CHELCO’s load control efforts led to wholesale power savings of nearly \$1.8 million, an average of nearly \$30 per member. These savings would not be possible, in part, without members’ participation in “Beat the Peak” efforts. In addition to avoided wholesale power costs, CHELCO retired \$3.4 million in capital



# 2022 HIGHLIGHTS

credits in December, putting even more money back into members' pockets.

## CHELCO HEADQUARTERS

After more than 80 years of service from our headquarters at 1350 Baldwin Avenue in DeFuniak Springs, we completed the transition to our new headquarters campus at U.S. Highway 331 North. By April 2022, all of our employees had moved into their new offices, and we began accepting payments at our new location. We quickly realized the many benefits of having most of our employees at one campus, and we have enjoyed the convenience, efficiency and face-to-face relationships that have thrived at our new headquarters.



**CHELCO Headquarters**

While we still have some ongoing construction for our new mechanic shop and facilities maintenance offices, the most significant phase of our headquarters construction is now behind us. We are also excited to announce we are in the planning phases of a new Freeport office to accommodate our rapidly-growing communities in the southern portion of our service territory. Please pardon our dust as we continue to improve our service capabilities through upgrades to our facilities!

## MEMBERSHIP GROWTH AND THE SUPPLY CHAIN

The past few years have not disappointed when it comes to growth. Since 2019, we have grown from around 53,000 accounts to more than 61,000, a trend that we don't expect to slow down any time soon. In fact, 2022 was our biggest year on record for growth, welcoming just over 2,500 new members to our co-op family.

The benefits of growth to our area are numerous; growth promotes prosperity for existing local businesses, urges new businesses to come to our area, and specifically for CHELCO members, helps

keep rates affordable by making more efficient use of our electric distribution infrastructure.

Of course, this growth has presented some challenges, especially with the recent supply chain issues causing turnaround times on crucial distribution equipment to become increasingly longer. For example, prior to the supply chain crisis, CHELCO was able to acquire a new transformer within eight weeks of placing the order. In 2022, that turnaround increased to around 50 weeks, and that's just one of the essential pieces of equipment we need for our grid. However, due to planning efforts and adaptability, we have managed to keep up with our system's growth over the past year, and we work hard every day to effectively address new challenges that arise.

## EGLIN UP CONTRACT

In 2022, CHELCO celebrated its fifth anniversary of the 50-year utility privatization (UP) contract to serve Eglin Air Force Base. As part of the contract, we continued to own, maintain and replace all substations and electrical transmission and distribution infrastructure on Eglin AFB. The UP contract helps keep rates affordable

for all members by allowing us to defray certain expenses that don't have to be paid by the membership and providing for the more efficient use of employees, equipment and facilities. We are proud to be a mission partner of Eglin AFB.



**CHELCO's Eglin AFB Team**

## COMMUNITY SUPPORT, EVENTS AND A RETURN TO 'NORMAL'

Last year was the first year since 2019 that we felt like we had returned to "normal." While we continued many internal fundraisers and events through the thick and thin of the COVID-19 pandemic, most restrictions were lifted in 2022, allowing us to return to the external events that we love,


like Making Strides Against Breast Cancer and the American Heart Association's Heart Walk.

In September, we hosted a Member Appreciation Night at a Baker High School football game, our first member appreciation event since December 2019. We also held our first in-person annual meeting since 2019, and we had a great turnout, with around 500 in attendance. We missed getting to interact with our members in the community, so returning to normal was welcomed by all of us.

In terms of community support, CHELCO employees stepped up again in 2022, donating more than \$1,400 in a monthly Jeans Friday fundraiser, in addition to \$18,500 in automatic paycheck deductions to the United Way of the Emerald Coast. As we do every year, CHELCO hosted its annual Halloween Happenings fundraiser, in which employees dress up in costumes and submit soup, chili and desserts to be judged by CHELCO employees. This event raised \$2,000 for the Matrix Community Outreach

Center's Community Christmas program, which provides Christmas gifts for children in need in our community.

The 2022 CHELCO Charity Golf Tournament at Blackstone Golf Course was a huge success and allowed us to make donations of \$3,000 each to the American Heart Association, American Cancer Society and Emerald Coast Autism Center. This event has become a tradition over the last few years, and we look forward to continuing it.

CHELCO's biggest contributions to the community came from Operation Round Up. Through the member-funded Operation Round Up program, CHELCO awarded more than \$78,000 to 28 nonprofit organizations that truly make an impact on our local communities. None of this would be possible without our participating members, and we would like to thank you for rounding your monthly bill up to the next whole dollar amount to give back to our community. If you are not yet enrolled and would like to contribute, please visit [CHELCO.com/Operation-Round-Up](https://CHELCO.com/Operation-Round-Up). 



**\$78,800**

Awarded in  
Operation Round Up Grants



**4%**

Membership growth is 4x the  
national average for co-ops



**\$3.4 Million**

Returned to members via  
Capital Credits



**\$6,000**

In scholarships awarded to  
member dependents

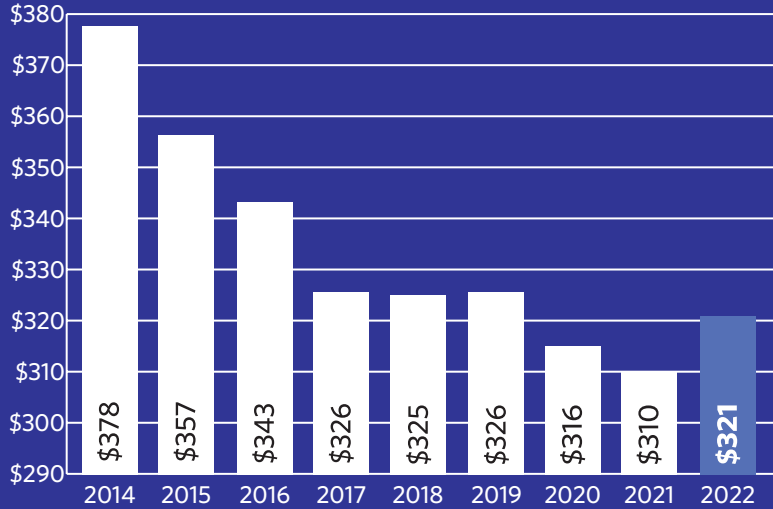


**\$1.79 Million**

Avoided wholesale power  
costs via load management

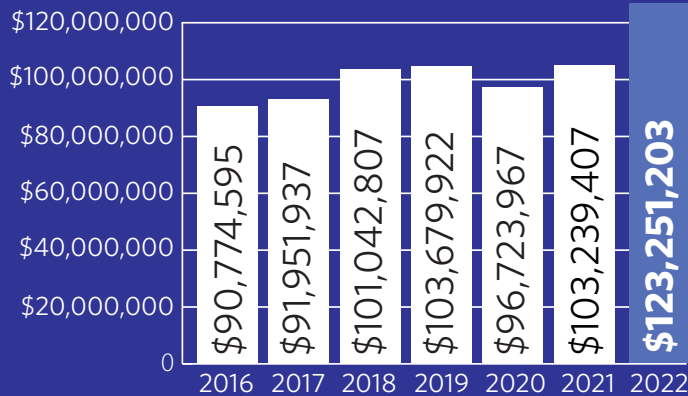
### CONTROLLABLE EXPENSES PER METER

*\*Not Adjusted for Inflation*

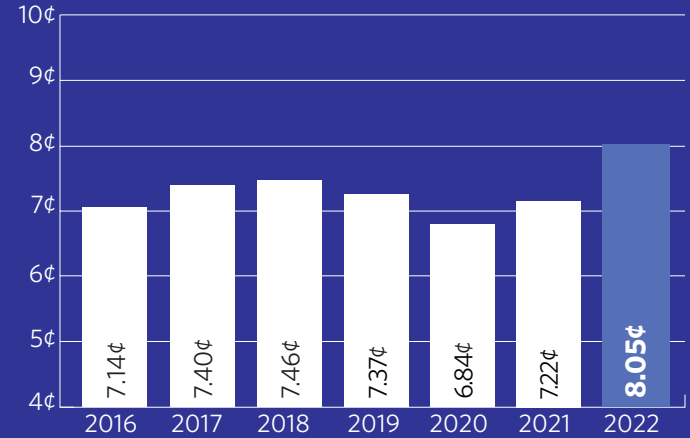


Controllable expenses exclude wholesale power cost, depreciation, interest, taxes and costs related to the operations and maintenance of infrastructure on Eglin Air Force Base.

### ELECTRIC REVENUE

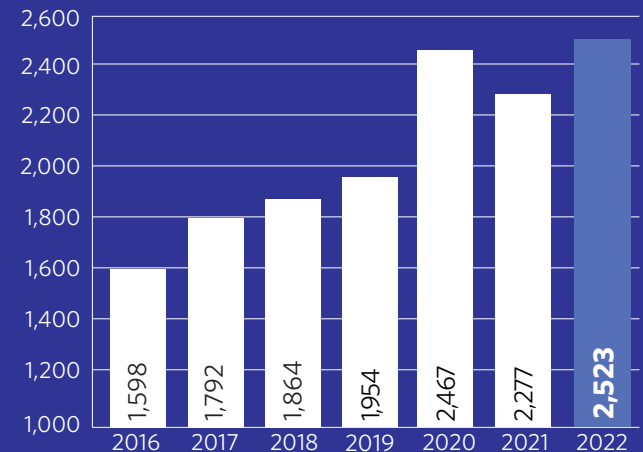


### WHOLESALE POWER COST PER kWh



The price CHELCO pays to purchase power from PowerSouth.

### NEW MEMBER ACCOUNTS



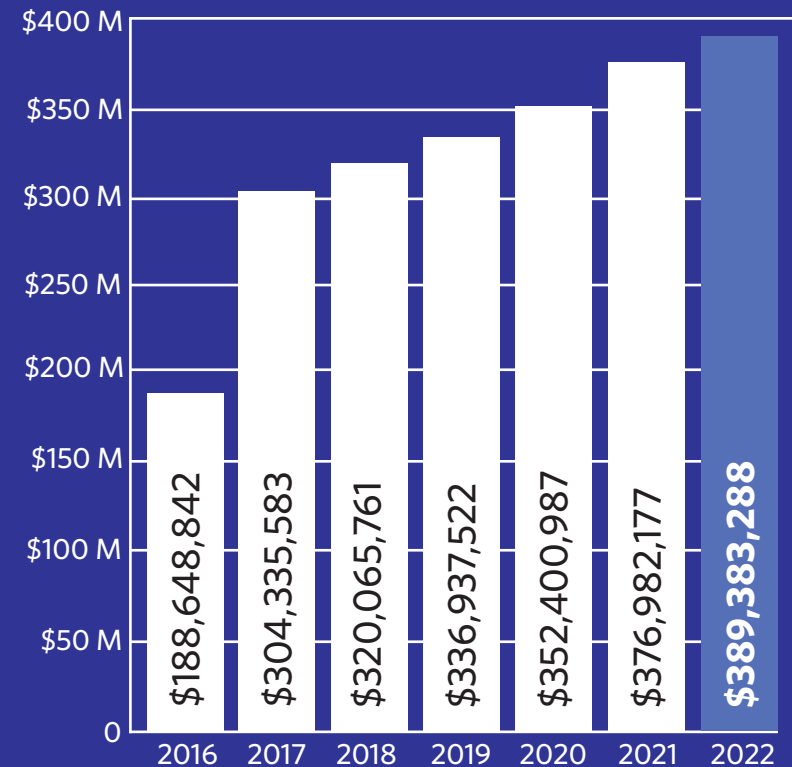
# OPERATING STATEMENT

DEC. 31, 2022 AND 2021

	2022	2021
<b>Statement of Operations</b>		
Operating Revenues	136,783,909	118,320,975
<b>Operating Expenses</b>		
Purchase Power	84,976,851	72,516,573
Operations & Maintenance	12,767,399	11,605,523
Collections, Admin. & General Expense	11,117,150	10,902,175
Depreciation	13,009,622	12,050,552
Taxes	1,382,833	1,483,241
Interest	6,593,374	6,197,471
<b>Total Operating Expenses</b>	<b>129,847,229</b>	<b>114,755,535</b>
<b>Operating Margin</b>	<b>6,936,680</b>	<b>3,565,440</b>
<b>Other Income or Deductions</b>		
Interest Income	278,766	63,816
Misc. Income (Expense)	908,710	3,891,007
G&T and Other Capital Credits	2,179,995	1,998,706
<b>Total Non-Operating Margins</b>	<b>3,367,471</b>	<b>5,953,529</b>
<b>Net Margins</b>	<b>10,304,151</b>	<b>9,518,969</b>

Amounts disclosed included on both the Balance Sheet and Statement of Operations include financial activity for the assets owned and maintained on Eglin Air Force Base.

## TOTAL UTILITY PLANT



## WHERE DOES YOUR DOLLAR GO?



- Power Cost (62.12%)
- Distribution Expense (9.33%)
- Operational Expense (8.13%)
- Depreciation, Interest, Taxes (15.34%)
- Operating Margin (5.07%)

# BALANCE SHEET

DEC. 31, 2022 AND 2021

	2022	2021		2022	2021
<b>Utility Plant</b>			<b>Equities</b>		
Distribution Plant in Service	369,279,426	352,468,545	Memberships	256,225	247,210
Construction Work in Progress	20,103,862	24,513,632	Patronage Capital	121,118,932	112,996,526
	<u>389,383,288</u>	<u>376,982,177</u>	Total Equities	<u>121,375,157</u>	<u>113,243,736</u>
Accumulated Provision for Depreciation	(116,801,165)	(108,449,256)			
Net Distribution Plant	<u>272,582,123</u>	<u>268,532,921</u>	<b>Long-Term Debt</b>	181,407,807	167,747,322
<b>Long-Term Assets</b>			<b>Current Liabilities</b>		
Patronage Capital of Associated Cooperatives	48,549,633	46,673,307	Current Portion of Long-Term Debt	8,169,875	8,918,105
Other Long-Term Assets	401,534	442,359	Line of Credit	11,413,005	10,941,112
Total Long-Term Assets	<u>48,951,167</u>	<u>47,115,666</u>	Accounts Payable	9,588,632	7,878,056
<b>Current Assets</b>			Consumer Deposits	3,998,826	3,895,893
Net Accounts Receivable	13,362,415	10,747,324	Other Current Liabilities	<u>2,177,471</u>	<u>2,964,962</u>
Cash & Cash Equivalents	19,123,027	17,881,229	Total Current Liabilities	<u>35,347,809</u>	<u>34,598,128</u>
Materials & Supplies	16,568,843	11,313,554			
Other Current Assets	<u>128,522</u>	<u>276,513</u>	<b>Deferred Credits</b>	37,152,054	45,302,689
Total Current Assets	<u>49,182,807</u>	<u>40,218,620</u>			
<b>Deferred Debits</b>	4,566,730	5,024,668	<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<u><u>375,282,827</u></u>	<u><u>360,891,875</u></u>
<b>TOTAL ASSETS</b>	<u><u>375,282,827</u></u>	<u><u>360,891,875</u></u>			

## AUDITOR'S FINDINGS

At the direction of your Board of Trustees, CHELCO's financial records are subjected to an annual audit performed by an independent, certified public accounting firm. The Board is responsible for the selection of this firm and mandates that it be changed periodically to ensure independence and accuracy. After examining the financial records of 2022, CHELCO's auditors rendered an opinion without qualification, which means the financial reports they examined presented fairly, in all material aspects, the finances of CHELCO and that its accounting practices were in conformity with generally accepted accounting principles. Condensed financial information contained herein was prepared by management and is derived from information contained in the audited financial statements. However, the condensed financial statements have not been subjected to any audit procedures and do not include all disclosures and other information required for the statements to be considered to be presented in accordance with US GAAP.

# 2022 ANNUAL MEETING MINUTES

**ANNUAL MEETING OF MEMBERS  
CHOCTAWHATCHEE ELECTRIC  
COOPERATIVE, INC.  
SATURDAY, APRIL 9, 2022**

The Annual Meeting of Members of Choctawhatchee Electric Cooperative, Inc. (CHELCO) was held on Saturday, April 9, 2022, at Freeport High School in Freeport, FL.

Mr. Gerald Edmondson, President, called the meeting to order. The Walton High School Color Guard presented the flag, and Mr. Edmondson led the Pledge of Allegiance. A recording of the national anthem was played. Trustee Ronnie Jones gave the invocation.

Mr. Edmondson welcomed members to the 81st Annual Meeting. Mr. Edmondson introduced the Board of Trustees by district, and their photos were displayed.

Attorney Shiraz Hosein provided the notice of the meeting and proof of due publication and mailing. He reported that on March 4, 2022, 48,615 ballots were mailed to the active members of the Cooperative. All votes received by 5 p.m. on April 4, 2022, at the offices of Warren Averett, Certified Public Accountants, were considered. A total of 5,469 valid ballots were received by that date. A two percent (2%) quorum (at least 972) of responses was met, which is a requirement of Article II, Section 4 of

CHELCO's bylaws. The voting resulted in the following winners:

**District 2**  
Terry Pilcher

**District 4**  
Brady Bearden

**District 6**  
Gerald Edmondson

Mr. Edmondson referenced the 2021 Annual Meeting minutes which were posted for review by attendees. He asked all in favor of the minutes to say "Aye"; all opposed to say "No". The 2021 Annual Meeting minutes were approved.

Mr. Edmondson provided the President's report. He stated the COVID pandemic the past two years has presented some of the most unusual circumstances seen in his 27 years on the CHELCO Board of Trustees. With no set rules on how to approach the situation, he expressed his pride in the efforts made by the Board and staff to keep members and employees safe in the ever-changing guidelines. We continued to provide excellent member service and reliable power while people were home and needed it the most, despite COVID-related absences of our own. Mr. Edmondson stated that is the cooperative way.

President Edmondson reported the Cooperative's goal is not to maximize profit for shareholders. We are owned by the members and serve only its members. Bylaws govern how we are structured and how board members are elected. Bylaw changes are voted upon. Due to the merger of Gulf Power Company with Florida Power and Light, along with their rate increase earlier this year, there have been several misconceptions that CHELCO would be sold or absorbed by a larger utility. Mr. Edmondson explained if that were the case, all members would have to vote on any discussion or disbanding at a meeting such as this. CHELCO does not intend to investigate being purchased by or merged with another entity. The Board and leadership at the Cooperative do not believe that is in the best interests of the membership. The Board are elected members and are your neighbors. They meet in this community every month to develop long-range strategy, set policies, oversee the CEO, and represent the members in the Cooperative's operations. The Headquarters is in DeFuniak Springs with five other offices throughout the service territory for members to speak with representatives in person. Sixty-one cents of every dollar paid to CHELCO is used to pay for the power we distribute. The remaining thirty-nine cents covers operating and infrastructure costs. This includes administrative costs, interest, and taxes, and we are dedicated to

controlling the costs we can. Last year, we added nearly 2,300 new member accounts which helps to share costs. Concern for Community is one of the seven guiding principles. Last year, the member-funded Operation Roundup program granted 21 awards totaling over \$59,000, and employees donated over \$22,000 out of their own pockets to support local charities. Mr. Edmondson thanked the Board, the CEO, senior staff, the leadership team, and all employees for their hard work in 2021.

Ms. Gayle Hughes presented the Treasurer's report. The Board sees that the financial statements are audited annually. Ms. Hughes reported the audit firm of Warren Averett was retained to audit the 2021 statements. For the year ending December 31, 2021, they issued an unqualified opinion – that is the highest level of assurance, and noted no matters they considered a material weakness. Sixty new miles of distribution lines were added, and 959 million kilowatt-hours were sold to serve over 60,800 meter points. The total distribution plant is \$376 million dollars.

Mr. Steve Rhodes, Chief Executive Officer, presented the CEO Report. Mr. Rhodes thanked the employees and the Board for their dedication; and thanked the Board for allowing him to lead the organization for the past nine years. He reported the loss of Trustee Jim Bishop to COVID in 2020, and the loss of a family member to the virus in 2021. Although we did not lose a single


employee to the virus, we faced the challenge of many people being out of work, and we moved forward as best we could. In addition to the pandemic, there were and continue to be material shortages, inflation, cost spikes, and employee changes. Mr. Rhodes stated in his 34 years of service to electric cooperatives, the situation has been the most unique and enduring long-term challenge he's faced.

CHELCO has been one of the fastest-growing electric cooperatives in the nation the past few years. A video was shown to illustrate the growth to the system and our area. The co-op's goal is to control costs while maintaining or improving safety, service reliability, member satisfaction, and employee engagement. In 2021, we maintained our superior performance in six of the nine individual metrics we track, and we rank in the top 25 percent of 850 electric co-ops nationally. Our customer satisfaction scores were considerably higher than respected organizations like Apple, Nike, and even Chick-fil-A. A short compilation of members' appreciative comments was shown by video.

Mr. Rhodes stated the highest priority is safety. We have presented electrical safety awareness training to over 300 people this past year, and our safety focus will continue. We have worked to control costs and have reduced them by 18 percent since 2014 (approximately \$20.4 million), and saved members \$2.75 million through reductions in 2021 (approximately \$47 per account).

Several extra refunds of capital credits were implemented in recent years in addition to the yearly capital credit retirement each December. The Board approved two distribution rate decreases since 2015, and the last distribution rate increase was in 2013. There will be no distribution rate increase in 2022.

Mr. Rhodes provided an update on the Cooperative Solar program and an 80MW solar farm coming to southern Alabama by PowerSouth Energy Cooperative, scheduled to come online in late 2022. The DeFuniak Springs facilities plan resulted in enlarged and modernized facilities. A member service office and an administrative wing have been constructed on Highway 331 North since 2019, and employees are now stationed there at the new Headquarters campus. Renovations were also made to the Operations Center. This makes our operation more streamlined and efficient, and has been accomplished without raising distribution costs. A time-lapse video was shown which displayed the construction progress. Mr. Rhodes said we look to the future with great expectations and look forward to the challenges that lie ahead as we keep the lights on.

President Edmondson called for any new or old business, and there was none. He thanked the membership for attending, and adjourned the meeting. Following the meeting, a drawing for scholarships and other prizes was held. 

# THE COOPERATIVE PRINCIPLES

**Principle 1:**  
Voluntary and Open Membership

**Principle 2:**  
Democratic Member Control

**Principle 3:**  
Members' Economic Participation

**Principle 4:**  
Autonomy and Independence

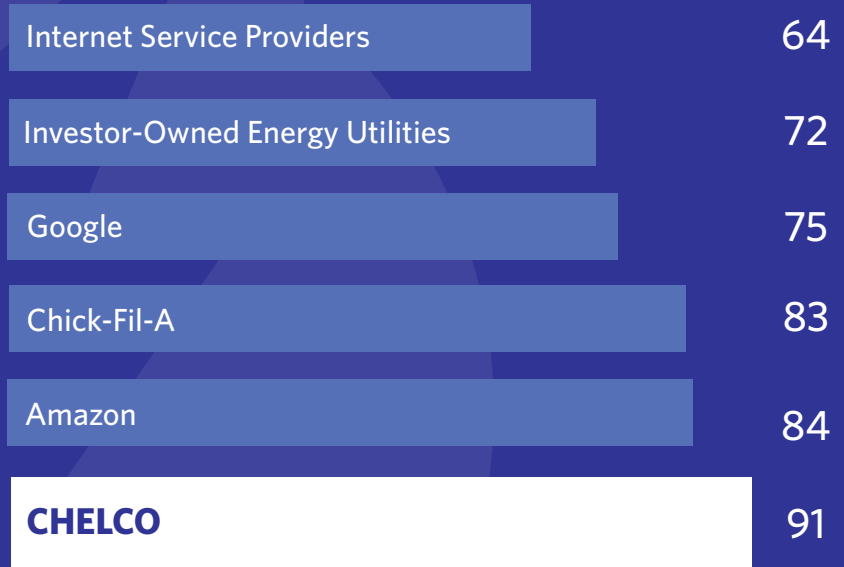
**Principle 5:**  
Education, Training and Information

**Principle 6:**  
Cooperation Among Cooperatives

**Principle 7:**  
Concern for Community

# 2022 ACSI\* SCORES

American Customer Satisfaction Index



\*ACSI is a national cross-industry measure of consumers' satisfaction with the quality of products and services available to them. CHELCO participates in these surveys to benchmark our member satisfaction.

# CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

655 US Hwy. 331 N., DeFuniak Springs, FL, 32433

(850) 892-2111 | CHELCO.com

