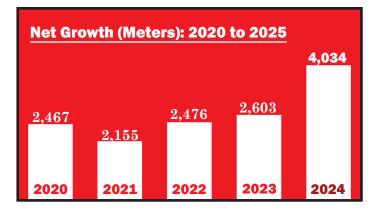


We continue with another throwback edition of CHELCO News in celebration of our 85th anniversary! CHELCO News archives are available at CHELCO.com/CHELCO-News and date back to 2014.

CHELCO's growth amplified in 2024, outpacing previous high

CHELCO's membership growth has been a defining trend in recent years, with more than 2,000 new services and meter points added to our electric distribution system annually since 2020.

From 2020 to 2023, our growth remained steady, allowing us to accurately track net expansion by accounting for both new connections and retired services. During this period, we added more than 2,000 meters each year—averaging around 4% annual growth, four times higher than the national average for electric cooperatives.



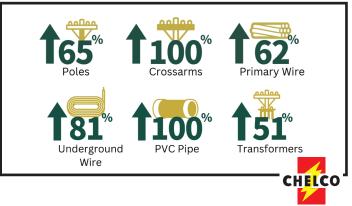
However, 2024 stands out as a remarkable year. Surpassing our highest growth on record in 2023, we saw an unprecedented net increase of more than 4,000 services and meter points in a single year.

While this spike may seem like an anomaly, we anticipate continued strong growth. Rapid residential development in areas such as Owl's Head and Hammock Bay in Freeport, and in the Auburn community north of Crestview, suggests that CHELCO's expansion in 2025 and beyond will more closely resemble 2024 than previous years.

"It's certainly a challenge on many fronts," says Matthew Avery, CHELCO's Senior Vice President of Engineering and Operations. "Electric utilities have been hit hard by inflation, with prices on key power delivery materials rising 50-75% since 2020. Additionally, our workforce has had to meet the demands of this rapid growth and the surge in new work orders. Our construction work plan, which outlines planned system improvements, upgrades and expansions, has nearly doubled since 2020. We have the right team in place and have been proactive in our planning, but this level of growth still presents many challenges."

Despite these challenges, CHELCO remains committed to providing safe, reliable and affordable power and will continue to work diligently on behalf of our members to support our growing communities.

Material Inflation: 2020 to 2025



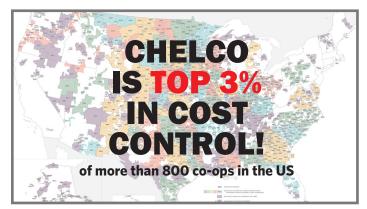


These days, prices for nearly everything seem to be on a never-ending climb. Whether you're at the grocery store, the gas pump or enjoying an evening out, the cost of living continues to rise. If you've followed my column for long, you've probably seen costs mentioned many times, because inflation has hit electric utilities as much and even more than many other parts of the economy. Yet, despite these economic challenges, one essential service remains a remarkable value: electricity.

At CHELCO, we are proud to provide reliable and affordable electricity to our members. When you compare electricity to other daily expenses, the value becomes even clearer. For instance, for the cost of a single cup of coffee - especially those bought at a fancy coffee shop - you can likely power your home for an entire day. Think about that... while a specialty coffee may run you \$4 to \$5, that same amount covers a full day or more of lighting, heating, cooling, cooking and entertainment.

Unlike many other essentials, co-ops have worked hard to ensure electricity remains a stable and affordable necessity for our members. From 2013 through 2023, CHELCO did not increase distribution rates a single time. In fact, we had two distribution rate **decreases** during that period, thanks to our aggressive focus on controlling costs. At a time when many industries faced steep price hikes, we worked diligently to maintain financial stability and keep electricity affordable for our members.

If you read my column last month, you will recall that we recently conducted a rate study to ensure our rates are fair for all members. Given the increasing costs of things outside of our control, we will likely be facing a moderate rate increase



soon. However, due to our team's efforts, the cost of electricity will remain a tremendous value in comparison with life's other necessities. Stay tuned for more info in next month's newsletter.

Even with a modest rate increase in 2024, CHELCO continues to be a leader among our peers in controlling costs and keeping rates affordable. In fact, I'm thrilled to share that CHELCO ranks in the **Top 3% of all co-ops nationwide** in controllable costs and ranks third of the 42 co-ops of similar size. These costs include things within our control, such as wages, electric equipment maintenance and administrative costs.

While we have focused on controlling costs, these efforts are not at the expense of reliability. We understand that electricity is not a luxury; it's a necessity. That's why we continuously invest in infrastructure. technology and efficiency improvements to ensure you receive the most reliable service at the most affordable price. Coupled with an aggressive right-of-way trimming program, these efforts have directly contributed to some of the best reliability numbers in the country, and among the best we've had in the past 20 years.

Although I have been with electric cooperatives for the better part of four decades, even I sometimes take electricity for granted. It's not until the power goes out that I truly realize all the aspects of our lives that depend upon it. Charging devices, connecting to the internet and keeping food fresh are just a few of the many things in our lives that depend on electricity. And while the cost of nearly everything else has surged, electricity remains an excellent value.

At CHELCO, we are committed to keeping it that way. We will continue working hard to provide you with reliable, affordable power while embracing innovation to enhance service and efficiency. Thank you for trusting us to power your homes, businesses and communities.

The next time you're enjoying a cup of specialty coffee, consider that for the same price, you are likely powering your life for an entire day. Not a bad deal, right?

Steve Rhodes Chief Executive Officer

Greeting the Governor over NWFL Famous Gumbo



L to R: CEO Steve Rhodes, Board Vice President Brady Bearden, Emily Cowan, Gov. Ron DeSantis, Bryan Gilbert, Kevin Wilkerson, Tyler Wood and Kevin Jones at the Florida Electric Cooperatives Association's annual Legislative Cookout, which brings together Florida's electric co-ops and state lawmakers.

CHELCO recently took part in the Florida Electric Cooperatives Association (FECA) Legislative Cookout, which brings together Florida's electric co-ops and state lawmakers for an evening of food and fellowship at the Goodwood Museum and Gardens in Tallahassee.

This year, Florida Governor Ron DeSantis made an appearance at the cookout, meeting with each of the co-ops in attendance and thanking them for their service to rural Floridians.

Also in attendance were various State Senators and Representatives, including DeFuniak Springs' own Shane Abbott, who serves Walton, Holmes, Washington, Jackson and Calhoun counties in State House District 5.

"The Legislative Cookout is always an enjoyable evening as we fellowship with our fellow co-ops and state officials," said CEO Steve Rhodes. "This year, we were honored with the presence of Governor DeSantis and certainly appreciate the time he shared with us, as well as the other lawmakers in our state who support co-ops through their legislation."

Pictured right: (1) CHELCO's Northwest Florida Famous
Gumbo, a beloved recipe from CHELCO retiree Mike Richards.
(2) Rep. Shane Abbott (third from left) poses alongside
CHELCO staff at the 2025 FECA Legislative Cookout.



Now more than ever, Paperless Billing makes more 'cents' for Choctawhatchee Electric Cooperative (CHELCO) members!

"Paperless billing is good for all CHELCO members, not just those who benefit directly from the convenience of online bill statements," explains CHELCO VP of Member Services and External Affairs, Emily Cowan. "The savings add up when there's no bill to print and postage to pay, and when the co-op saves money, it benefits everyone," Cowan adds.

With CHELCO's Paperless Billing, members save time and clutter by viewing their monthly electric bill online instead of receiving a monthly paper statement. Plus, paperless billing is fast! Members who participate won't have to worry about hiccups with the postal service or bills being delayed by holidays. It's easy, convenient, and it's FREE.

Take advantage of Paperless Billing now! **The first 1,000 members to sign up will receive a one-time \$10 bill credit** and chances to win other prizes.

Enroll today through your online account. After you have logged in, find "Paperless Billing" under the Quick Links menu on the right-hand side. Once enrolled in paperless billing, members are notified by email each month when their bill is ready to view online. Access to past bills and historical usage has never been easier.

To learn more, visit https://www.chelco.com/ paperless-billing, scan the QR code above, contact Member Services at (850) 892-2111, or speak with a representative at one of our six convenient area offices.



CHELCO is governed by a nine-member board of trustees: Lee Perry, District 1; Terry Pilcher, District 2; Reese Harrison, District 3; Brady Bearden, Vice President, District 4; Ronald Jones, District 5; Gerald Edmondson, President, District 6; Bert Prutzman, Assistant Secretary/Treasurer, District 7; Gayle Hughes, Secretary/Treasurer, District 8; Dwayne Davis, District 9.

CHELCO Delegates to embark on Washington D.C.



Landree Ryan, Ariana Henry, Abby Lewis and Michael Richards are CHELCO's 2025 Youth Tour winners!

Four local students were recently chosen to represent CHELCO in the 2025 National Rural Electric Cooperatives Association Youth Tour program.

Landree Ryan (Freeport High School), Ariana Henry (Laurel Hill School), Abby Lewis (Rocky Bayou Christian School) and Michael Richards (Baker School) were ranked by three judges as the highest scorers in a competition in which each contestant created a video about themselves, their experience on the Tallahassee Youth Tour trip in February and their future career aspirations.

These four students will embark on a trip to Washington, D.C., in June to dive deeper into what it means to be an electric cooperative and explore our nation's capital and its history.

Youth Tour is a program available to high school juniors who are CHELCO member dependents. Applications for next year's Youth Tour will open in October and are sent to each school in our service area. For more information, please visit **CHELCO.com/Youth-Tour.**



Ensure your phone number, email address and mailing address are up to date so you can enjoy the benefits of staying connected.



Registration Open: CHELCO Charity Golf Tournament



The 2025 CHELCO Charity Golf Tournament will be held Friday, May 16, at Blackstone Golf Course in Mossy Head and will benefit the Emerald Coast Autism Center, Emerald Coast Children's Advocacy Center, and Children In Crisis.

Registration will open at 9 AM with a shotgun start at 10 AM. The format is a four-man scramble.

Team Registration and Sponsorship forms are available online at CHELCO.com/golf. Please contact communications@chelco.com if you have any questions.

*Field limited to first 18 teams



\$25 Bill Credit Winner



If the account number below matches yours, call (850) 892-2111 to redeem a \$25 bill credit on your next power bill!

Newbern - 9000133528

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Find @myCHELCO on Facebook, Instagram, YouTube & X (formerly Twitter) Visit www.CHELCO.com for more information.