2024 Annual Report

Southern Rivers Energy®

A Touchstone Energy® Cooperative



Driving Forward:

A MESSAGE FROM LEADERSHIP

In 1938, local leaders came together with a vision to bring power and progress to our rural communities. That same spirit of service continues to guide Southern Rivers Energy (SRE) today as we deliver safe, reliable and affordable electricity to the members who own this cooperative.

With a strong foundation built on more than 87 years of stewardship, SRE remains focused on the future. Over the past year, we've taken meaningful steps to modernize our infrastructure, strengthen the electric grid and improve system resilience through smart technology, increased capacity and enhanced safety practices. As we grow to meet the evolving needs of our members, our commitment to service, innovation and community remains unchanged.

STRENGTHENING THE GRID

As of July, 9,776 members have subscribed to fiber internet through Connect, Powered by Southern Rivers Energy. This partnership has not only modernized SRE's electric infrastructure but also brought high-speed fiber internet access to members, strengthening local communities for generations to come. Sign up at *conexonconnect.com.*

In 2024, Southern Rivers Energy made major advancements in grid reliability through the installation of over 48 intelligent line devices featuring Fault Location, Isolation and Service Restoration (FLISR) technology. These smart units automatically detect and isolate faults, helping restore power faster and reduce outage impacts for members. Additional system upgrades, including new ties between substations and enhanced outage data analysis, are improving the overall resilience of our distribution system and helping reduce the duration and frequency of outages across our service area.

MODERNIZING INFRASTRUCTURE

SRE facilitated the addition of 12 megawatts of commercial and industrial load with the connection of a large-scale cryptocurrency mining facility, and an additional 3.5 megawatts is expected from a rock quarry coming online in 2025. With these additions, annual system energy sales are projected to grow by nearly 100 million kilowatt-hours (kWh), surpassing an estimated 470 million kWh by the end of 2025. Meeting this growth required strategic investments and system upgrades.

BUILDING FOR THE FUTURE

At SRE, we're always looking ahead to make sure we can meet your energy needs—not just today, but for years to come. As more technology is added to our electric system, we need faster, more reliable ways to share information between meters, substations and our main control center. So, the investments we are making will ensure that all aspects of our operations are working together efficiently to deliver quality electric service to your homes and businesses.

We're proud to serve you and thankful for the trust you place in us. Together, we'll continue working to make our communities the best places to live, work and raise a family.



Stephen Goodman
Board Chairman



Michael McMillan
President/CEO



Millie Alexander
Board Treasurer

Behind the Scenes of Reliable Power

Southern Rivers Energy continues to drive progress through strategic investments, operational efficiency and a strong commitment to safety.

In 2024, our crews completed **11,083 service orders** and responded to a record **13,657 locate tickets** through Georgia 811, demonstrating our ability to meet increasing demand while maintaining service quality. These rising workloads were supported by key workforce enhancements, including the **addition of a staking technician and expanded lineman positions**. Two-man service trucks were also deployed to boost response times, improve safety and manage outages more effectively.

Operational tools and processes were refined to improve system oversight and vegetation management. **A new easement overlay program** is now fully operational, providing access to historical property data dating back before 1960, enhancing right-of-way management and data preservation. Our information technologies, operations and right-of-way teams created a **new mapping tool that's updated every day to show where dead or dangerous trees** are located along our lines. This helps our crews find and fix potential problems before they cause outages.

Outage inspection processes were expanded to include **more after-hours checks**, while data analytics are being used **more effectively to track reliability metrics**.

SRE made notable strides in safety and cost control. For the fifth consecutive year, we earned a **No Lost Time Accident Award**. In addition, we streamlined a **5% per-mile reduction in herbicide** program costs and identified opportunities to trim the fleet budget, demonstrating our continued focus on operational excellence and fiscal responsibility.

Smarter tools and stronger teams are powering better performance.



2024 ENERGY PORTFOLIO

SRE is a not-for-profit, member-owned electric distribution cooperative providing reliable, affordable electricity to our members. Distribution cooperatives purchase power at wholesale costs from a variety of generation sources, and then sell the electricity to their members. The cost of wholesale power is our largest operating expense.

SRE's energy portfolio includes coal, natural gas, nuclear, hydro and renewables, including biomass and solar. Purchasing power from a variety of sources plays an important part in **keeping rates stable** for our members.

46.6% 36.3% 9.4% 5.4% 2.2%

Last year, SRE's fuel mix consisted of natural gas (46.6%), nuclear (36.3%), coal (9.4%), renewables (5.4%) and hydro (2.2%).

Fun Fact:

Our new FLISR system helps restore power to unaffected areas in seconds by automatically isolating problem areas and transferring service to adjacent circuits, reducing outage times and improving reliability.



Breaking Down the Buck

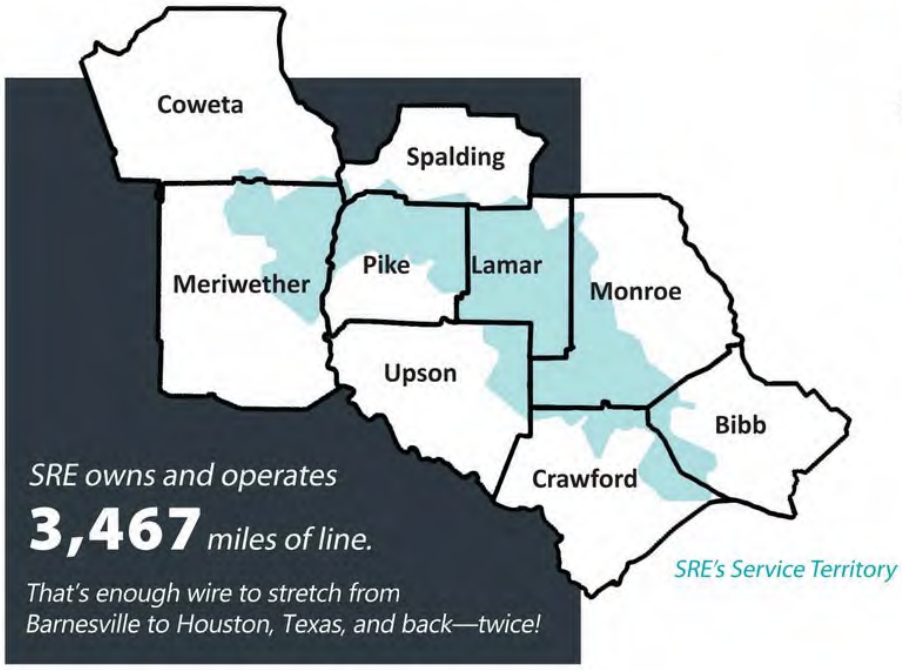
Ever wonder where your dollar goes when you pay your power bill?

As an electric membership co-op, we are responsible for tracking the source and distribution of funds. When you pay your electric bill, every dollar is carefully allocated to keep your cooperative running efficiently and reliably. Of that dollar, 48 cents go directly toward the **cost of power**—what it takes to purchase the electricity delivered to your home. Another 29 cents support **operations and maintenance**, ensuring the system stays safe, dependable and up to date. Ten cents are set aside for **depreciation**, which helps fund future equipment replacement and long-term system investments. Eight cents are allocated toward **margins**, which are reinvested in the cooperative to support financial stability and future growth. The remaining 5 cents are used to pay **interest on loans** that help fund major infrastructure projects. Every cent plays a role in powering our community and supporting the cooperative mission.

TOTAL PROPERTY TAXES PAID PER COUNTY IN 2024:

$1,148,334





Did You Know?

*In addition to paying property taxes throughout our service territory, **we collect sales tax**. In 2024, we collected a total of **$2,479,286 in county taxes** and a total of **$2,264,688 in state taxes**.*

*Southern Rivers Energy **paid $897,888 in sales tax** on items used by the co-op.*

ENERGY USE BY KWH IN 2024

309,085,240 KWH
Residential

40,312,815 KWH
Small Commercial

25,119,013 KWH
Large Commercial and Schools

326,476 KWH
Irrigation Systems

A **kilowatt-hour (kWh)** is a measure of energy. It tells you how much electricity you use over time.

Here's a simple breakdown:
1 kilowatt (kW)=1,000 watts
1 kilowatt-hour=using 1,000 watts/1 hour

Example:
If you run a 100-watt light bulb for 10 hours, that's also 1 kWh.

Capital Credits: Your Piece of the Power



$350,000
in capital credits returned to SRE members in 2024

Fun Fact:

Co-ops across the nation retire more than $600 million in capital credits annually. This is just another benefit of being a co-op member!

In December 2024, SRE shared profits for a portion of 2003. SRE members received those credits on their November and December bills. Former members who no longer have service with SRE received a check in the mail.

In addition to your electric service account, SRE members have a capital credits account. At the end of the year, any excess revenue or margins is allocated to your capital credits account based on how much electricity you used that year.

The assignment for residential and farm members for 2024 was 15.8% of the year's total billing. For example, if the total amount you paid for your electric service (minus taxes) in 2024 was $1,200, we allocate 15.8%, or $189.60, to your account.

To date, Southern Rivers Energy has returned more than $23.2 million in capital credits to its members.

THE COST OF RELIABILITY

Electricity powers nearly every part of our daily lives, from charging our phones to keeping our homes comfortable, our food fresh and our water hot. It's easy to overlook just how essential it is until we're without it. Beyond the convenience it provides, electricity has remained one of the most cost-effective services available, even as prices rise across the board.

At Southern Rivers Energy, we're committed to keeping your rates fair and service dependable. As a not-for-profit, member-owned cooperative, we face many challenges, such as rising fuel costs, supply and demand shifts, infrastructure investments and unpredictable weather patterns. While some of these factors are beyond our control, we make every decision with your best interest in mind. The rates you pay support a vast network of people, equipment and technology working around the clock to deliver power safely and reliably.

We know how much our members depend on electricity in their homes, schools and businesses, and we're working every day to ensure that it stays reliable and affordable for the long haul.

We Want to Hear From You!

Please complete our 5-question member satisfaction survey. This is your chance to share with us what matters to you, what we're doing well and how we can improve. Your feedback is essential in helping us continue to provide great service.



OPERATION ROUND UP

$75,793
Community Outreach

$36,915
Health and Safety

$18,776
Schools and Education

Scan the QR Code below to see how Monroe County Kingdom Builders used their Operation Round Up grant.

Community and Youth Contributions

At Southern Rivers Energy, we know that empowering the next generation is key to building strong, sustainable communities. Through programs like the Washington Youth Tour, student councils, classroom outreach and mentorship, we are helping young people see their potential, not just as future workers, but as future leaders. Our youth engagement efforts aren't just about education; they're about creating a sense of ownership, pride and possibility within the communities we serve.

In 2024, SRE contributed more than **$14,800 in sponsorships** for local recreation departments, school athletics and community events. We also sponsored two students to attend the **Washington Youth Tour**, a weeklong leadership experience in our nation's capital. Seventeen educators from 14 local schools across six counties were awarded a total of $15,526 through Operation Round Up and **Bright Ideas grants** to bring innovative projects to life—each designed to enhance student learning and engagement. ORU also funded $15,000 in **scholarships** last year.

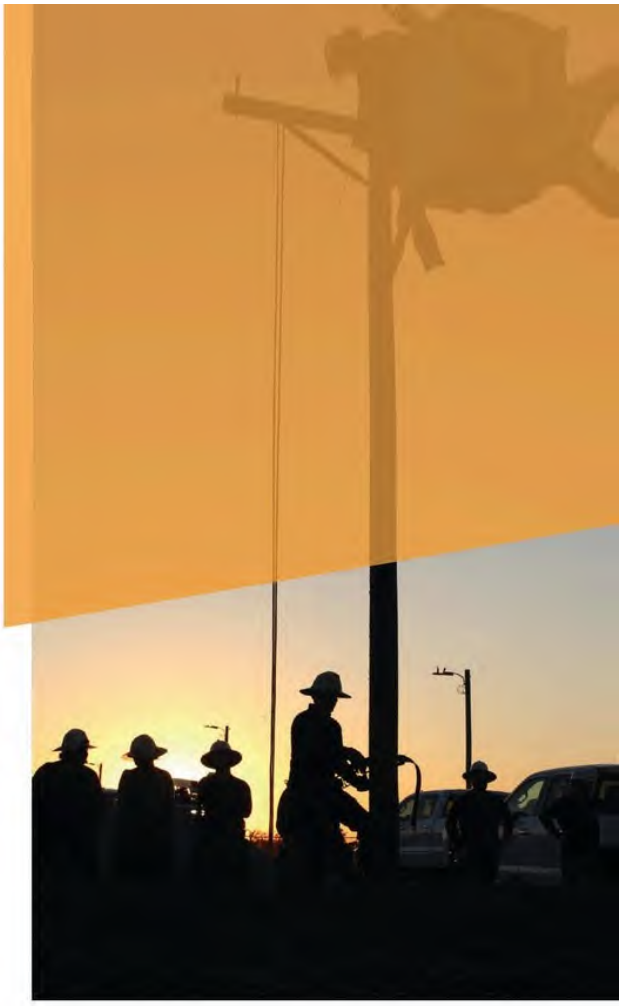
What sets SRE apart is that we don't just operate in these communities, we're part of them. Our team lives here, shops here and raises families here. That connection gives us a unique advantage when it comes to reaching young people in meaningful ways. With over half of the population on our lines under the age of 45, and a growing number of younger employees, we're not preparing for a shift, we're already in it. By meeting members where they are and building lasting relationships early, we're planting the seeds of loyalty, leadership and innovation that will carry our co-op into the future.

Scan to see how we are connecting with tomorrow's leaders—starting today.

2024 Financial Highlights

BALANCE SHEET

	DEC. 31, 2024	Dec. 31, 2023
ASSETS		
Utility Plant Less Depreciation	$ 145,583,600	$ 134,361,441
Cash in Bank	1,117,214	2,421,656
Temporary Investments	32,312,518	16,593,731
Investment-associated Organizations	8,809,207	7,765,680
Accounts Receivable	6,069,717	6,160,629
Materials and Supplies	1,652,763	7,801,487
Other Assets	124,302	86,475
TOTAL ASSETS	$ 195,669,321	$ 175,191,099
LIABILITIES AND EQUITIES		
RUS Loan Obligations	$ 14,407,135	$ 15,078,343
NRUCFC Loan Obligations	625,142	758,125
FFB Loan Obligations	97,620,801	85,906,843
Membership Fees and Deposits	1,861,563	1,173,803
Patronage Capital	48,717,601	42,474,014
Margins	16,483,046	14,948,386
Other Liabilities	15,954,033	14,851,586
TOTAL LIABILITIES AND EQUITIES	$195,669,321	$ 175,191,099
OPERATING STATISTICS		
Cost of Purchased Power	$ 30,962,457	$ 26,414,153
Operations and Maintenance	9,100,321	11,114,145
Depreciation and Amortization	6,599,540	5,554,182
Interest and Other Deductions	3,227,330	2,943,106
Consumer Accounts Expense	1,124,652	1,238,713
Consumer Assistance Expense	686,874	680,337
Administration and General Expense	7,621,858	6,921,307
Operating Margins	5,375,906	4,245,018
TOTAL ELECTRIC REVENUE	64,698,938	$ 59,110,961
Nonoperating Margins–Interest	2,244,589	967,402
Other Capital Credits and Patronage Capital	1,116,062	1,875,373
TOTAL REVENUE	$ 68,059,589	$ 61,953,736



DEBT MANAGEMENT

In a cooperative business model, everyone using the service must carry their own weight. Because we are a not-for-profit, there is no way to offset costs. If someone doesn't pay for the services provided, it affects everyone. In 2014, we started the ***Pay-Your-Way prepay*** *billing program, which allows members to pay for electricity before they use it. There are no deposits or late fees, and it provides a way for us to recover delinquent fees through a debt-management program without having to disconnect service.*

As of May 1, 2025, our ***debt management program has recovered $88,271*** *in past-due fees. This is just one way we look out for our members and keep the cooperative financially sound.*

Official Notice of SRE's Annual Meeting of Members

Save the Date!

Lamar County Fine Arts Center
100 Burnette Road
Barnesville, GA

Saturday, Aug. 23
Registration at 8:30 a.m.
Meeting starts at 10 a.m.

Members are invited to enjoy a morning of fellowship, food and co-op updates at this year's Annual Meeting. Registration begins at 8:30 a.m., followed by a brief business meeting at 10 a.m., when the results of the contested election will be announced. Present members will also vote to affirm uncontested board seats.

Attendees can look forward to breakfast, informational booths and an extensive Health Fair presented by Upson Regional Medical Center and Lamar County Health Department.

Prize drawings will include bill credits, door prizes and a $500 grand prize!

Registered members who participate in Operation Round Up will be entered into a bonus drawing for a 43-inch TV. To learn more, visit *southernriversenergy.com/operationroundup.* Southern Rivers Energy is owned by those we serve—our members! We invite you to join us at the Annual Meeting to elect the directors who represent your voice in the business of the cooperative, and help us celebrate 87 years of service to you!

**Only registered SRE members (account holders) will receive gifts and are entered to win prizes.*



Harry Park
SRE Board Secretary

Today's Work for Tomorrow's Power

It's a privilege to work alongside a team of employees and directors who care deeply about our cooperative mission—to deliver safe, reliable and affordable electricity to the people who own this cooperative: you.

Lately, like many of you, I've been paying more attention to how much things cost and what kind of value I'm getting in return. Inflation seems to touch every part of our lives—from groceries to gas to a simple lunch out. At Southern Rivers Energy, we're always thinking ahead—because the work we do today ensures reliable, affordable power for tomorrow. The average daily cost of electricity is about $7.42, and the average monthly electric bill for members of SRE is $222.75. You can power your entire home every day for the price of a large latte. That's an incredible return on investment in a world where everything else seems to cost more and deliver less.

Behind the scenes, our team is working hard to maintain the grid, prepare for growth and navigate rising costs—all while keeping your best interest at the heart of every decision. As a member-owned cooperative, we don't just deliver electricity, we deliver peace of mind. Every pole repaired, line upgraded and outage restored is part of a larger commitment: to make sure the power you rely on today will be even stronger tomorrow.

Sincerely,

Michael McMillan, President/CEO

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Kathryn Green, *Editor/Designer*

SRE is an equal opportunity provider and employer.

OUTAGE HOTLINE
1-866-244-4890

OFFICE HOURS
Monday through Friday
8 a.m. to 5 p.m.
Drive-in window available.

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