

# 2024



# ANNUAL REPORT



Boone Electric  
Cooperative

# Commitment to Service

For Boone Electric Cooperative, the focus of 2024 — and the foreseeable future — is on reliability. Across the United States, the conversation in the electric cooperative space is how to accommodate unprecedented levels of load growth on the nation's electric grid from the emerging industries of electric vehicles, data centers and cryptocurrency mines while still serving our members at the end of the line. You, the members, own your cooperative, and that's why we're committed to keeping the promise that founded BEC in 1936: safe, affordable and reliable electricity.

That promise is why Boone Electric Cooperative, along with our transmission cooperative Central Electric Power Cooperative and generation cooperative Associated Electric Cooperative Inc., are investing in new power plants and transmission infrastructure to make sure you have power when you need it. The need for reliable electric power is never more apparent than it is during times of extreme inclement weather such as we, unfortunately, experienced frequently during the winter of 2024-25. From all of us at BEC to all of you, our members, we thank you for your voluntary energy conservation during those times of extreme temperatures that help us keep the lights and heat on for everyone. Your sacrifices for your fellow members do not go unnoticed or unappreciated.

As we continue to face increasing pressure on our grid, our commitment to you is to keep the power flowing. As always, we appreciate the patience and trust you've shown in us during these processes, because as we all know nothing worthwhile comes quickly or easily.

As a member of an electric cooperative you always have a voice at the table of how your investment in your business

is being used. We hope you'll join us again this year on Sept. 11 for our Annual Meeting, and make your voice heard by casting your vote for your elected representatives on Boone Electric Cooperative's board of directors and the proposed amendments to BEC's bylaws. You can always ask questions of your directors or contact staff and employees directly whether online, over the phone or in person here at our office during business hours.

We encourage any feedback, comments or questions you have about the electricity or customer service you receive from us or the energy efficiency, youth leadership development or other community services we offer. We live in the communities we serve, and our commitment to that service is not an option — it's our mission.



**Kim Ponder**  
*President*



**Todd Culley**  
*CEO & General Manager*





# MEMBER SERVICES

It was a year of firsts for Boone Electric Cooperative. In response to member surveys following the 2023 Annual Meeting, member services organized several new events for 2024. More than 460 members and their families joined BEC for Night at the Movies at Lakeside Ashland to enjoy a family drive-in movie experience. At Cider With Your Provider, 25 members joined us to learn more about our new board nominating process and meet directors and board candidates in the then-upcoming 2024 Annual Meeting election. Finally, co-op members and community residents attended the Mid-Mo Energy Expo hosted by Boone Electric Cooperative to meet and ask questions of their local utility providers and learn more about energy efficiency. A Food Truck Friday event also was hosted for members to enjoy three local food vendors.

BEC's Community Building was a popular meeting place last year, hosting 414 separate meetings and special events for many nonprofit, civic and government agencies, and other organizations. The building's first full year of operation nearly quadrupled in use from its six-month opening in 2023.

Additional highlights from 2024 include:

- 81 home energy blower door tests with \$72,918 paid to members in rebates, and an average of 17.74% annual energy savings from those improvements
- \$44,512.50 paid to members for ground source heat pump installations
- \$42,672.09 paid to members in smart thermostat, EV charger, water heater, dual fuel, window air conditioner installations and commercial lighting rebates
- 256 members on the EVOlve® time-of-use rate, about a 50% increase in participation of 178 in the previous year (2023)
- Added the option to pay your bill with VanillaDirect Pay through Dollar General stores nationwide

In summer 2024 our monthly podcast, The Buzz, hit the airwaves, introducing members to directors, employees and youth delegates from Boone Electric Cooperative. The Buzz is available free anywhere you listen to podcasts.

# OPERATIONS

Boone Electric Cooperative's supply chain woes largely recovered in 2024, with construction material more readily available in addition to better pricing. Construction throughout the year was slightly slower than our average pace, however, Operations changed 684 poles and installed 126,379 feet of underground primary cable. Our three contractors and two BEC right-of-way crews cleared 160 miles and sprayed 967 miles of line in 2024.

Cooperation Among Cooperatives was a foremost principle for Boone Electric Cooperative in 2024. BEC line and ROW crews responded for power restoration assistance at Macon, Black River and Ozark Border electric cooperatives following severe storms in Missouri, as well as sending crews to multiple co-ops in Georgia following Hurricane Helene in the fall. In addition, we assisted NRECA's global electrification efforts with the Missouri International 2024 project in Viucalvitz, Guatemala.

# ENGINEERING

Boone Electric Cooperative's engineering department continues to observe high demands on the system in both the summer and winter, but the 2023-24 winter peak — 160.9 MW on Jan. 14, 2024 — increased almost 5% over the previous winter peak set in December 2022. The summer peak of 148.7 MW set on Aug. 27, 2024 was just shy of tying the previous summer peak.

We experienced six major weather event days in 2024. There was a slight increase to our 2024 Customer Average Interruption Duration Index (CAIDI) but our System Average Interruption Duration Index (SAIDI) also experienced a slight decrease over the previous year at 102.48 and 50.27, respectively. Our total member hours out were 29,658. This makes 2024 our eighth-lowest year for outage hours since 2000.

In terms of system growth, 2024 recorded the third-lowest number of added services during the past eight years with 553. However, it exceeded the previous five-year average of 538. We received increased requests for construction temporary services where we saw identical numbers in 2020 at 381. This puts 2024 solidly in the middle of the pack when comparing it to the previous eight years.

In 2024, our utility service workers processed the highest number of locate requests that we have seen during the last 10 years. Overall, 23,770 locate requests were made with 6,067 needing to be physically marked in the field.

Net metering members connected a total of 335 kW in 2024 which is slightly less than the 491 kW added in 2023.

We continue to see a net decrease in overhead power lines (decreasing 7.2 miles in 2024) while experiencing a net increase in underground power lines (20.8 miles were added in 2024).

## FINANCE

One of the biggest financial challenges for 2024 — and continuing into 2025 — is uncertainty. Whether Boone Electric Cooperative is looking at interest rates, cost of materials or economic growth, there are very few items that can be pointed to as a known quantity. Fortunately for our members, BEC remains strong on a financial basis, exceeding all of the required metrics set by the cooperative's board of directors and our lenders.

Interest rates remain elevated when compared to recent years, but slowed growth across our system and advanced planning has limited the need for additional money from the capital market. Material pricing due to tariffs and the cost of commodities used in our equipment (copper, aluminum, etc.) are fluctuating daily, but advanced planning and contracted orders helped us manage the impact. BEC expects to see continued cost increases from our power suppliers due to needed investments which were delayed by years of regulatory uncertainty. The good news on the horizon is renewed interest in baseload investment in power plants.

## IT

Cyberattacks have posed an increasing threat to Boone Electric Cooperative in recent years, and 2024 proved no different. BEC is committed to a strong cybersecurity defense against these risks by continued investments and relationships with our partner co-ops. Our combined efforts, known as CyberDome, proved valuable by alerting and preventing attacks automatically. Each individual incident allowed us to further strengthen our defense against future attacks.

Additionally, as the cyber threat has grown so too has our need for additional employees, expertise and systems to internally provide the resources we need to continue providing reliable electricity to your home. For BEC, our IT resources are no different than the tools a lineworker uses in order to build and restore the electric grid.

## SAFETY

Boone Electric Cooperative's commitment to safety was felt across the co-op throughout 2024, finishing the year with 1,146 days without a lost workday. Despite working over 178,000 hours and driving almost 465,000 miles, the co-op's total recordable injury rate was reduced by 57%, and our Days Away, Restricted or Transferred (DART) Rate was reduced by 48% compared to 2023.

In 2024, BEC's Experience Modification (E-Mod) was calculated to be 0.83 for 2025 — the lowest E-Mod BEC has ever seen — which resulted in a discount on workers compensation premiums from the cooperative's insurer. This historic low in the E-Mod rating speaks to BEC's continued workplace culture of safety.

BEC's Environmental Program also experienced a successful 2024, pumping almost 59,000 gallons of fuel and recycling 145 pieces of electrical equipment without any environmental incidents.

## HR

In 2024, Boone Electric Cooperative's human resources department set out on a mission to improve training and development opportunities for the co-op's 90-plus employees. BEC has several tenured employees approaching retirement within the next five years, and our goal is to provide our members with continuity of service and avoid gaps in historical knowledge through mentorship and intentional development of employees.

BEC welcomed four new, full-time employees and said goodbye to three long-term employees in 2024. We welcomed Ashlyn Crum and Jakob Ruchti, GIS; Karla Briggs, member services; and Kyle Bennett, IT. Our BEC family said farewell to Sherry Morse, GIS; Joan Tschannen, member services, who both retired, and Jamie Conrow, operations, who left BEC after 29 years but stayed in the cooperative family. These three employees had more than 76 years of combined experience with BEC. We thank them for their commitment to their coworkers and commitment to the co-op's mission.

BEC's HR and administration departments are committed to attracting and retaining the best and brightest while staying mindful of our fiduciary responsibilities to our membership and our not-for-profit business model. The labor market is tight right now, but BEC has a long-standing reputation in the community and the industry as a great place to work. That pedigree has worked well for us in the past and will continue to do so in the years to come.

# Financial Information

## Consolidated Balance Sheet

Current Assets	2024	2023
Cash	\$4,806,498	\$3,443,921
Accounts receivable	6,540,841	6,520,905
Materials and supplies	3,629,718	3,853,442
Other current assets	155,450	141,720
	\$15,132,507	\$13,959,988
Other Assets		
Utility plant in service	\$169,149,906	\$167,611,818
Inv. in assoc. companies	39,854,269	38,056,941
Notes receivable	-	-
Deferred charges	-	-
Total Assets	\$224,136,682	\$219,628,747
Equities		
Patronage & other equities	\$95,749,639	\$91,961,863
Current Liabilities		
Accounts payable	\$4,074,874	\$4,104,673
Maturities of long-term debt	5,711,518	5,387,791
Current maturities of leases	-	-
Customer deposits	1,116,394	1,124,863
Accrued taxes	35,997	260,082
Other current liabilities	5,123,225	4,714,952
	\$16,062,008	\$15,592,361
Other Liabilities		
Long-term debt, net	\$112,269,605	\$112,003,853
Deferred credits	55,430	70,670
Total Liabilities	\$128,387,043	\$127,666,884
Total Equities & Liabilities	\$224,136,682	\$219,628,747



## Boone Electric Expense Data

Cost of Power -	\$38,068,310
Operations & Maintenance -	\$8,518,018
Consumer Accounts -	\$3,141,864
Administrative & General Expense -	\$5,412,734
Interest LTD Expense -	\$5,159,625
Depreciations & Amortization -	\$7,223,938
Taxes and Other -	\$2,123,224
<b>Total -</b>	<b>\$69,647,713</b>

## Consolidated Statements of Revenue & Expense

Operating Revenue	2024	2023
Sales of energy	\$72,518,531	\$68,771,436
Other electric revenues	746,329	787,496
Total Operating Revenue	\$73,264,860	\$69,558,932
Operating Expenses		
Purchased power & goods sold	\$38,101,369	\$35,991,126
Operations	5,001,203	4,575,103
Maintenance	5,368,861	5,129,276
Customer accounts	1,300,198	1,367,813
Customer service & information	1,841,666	1,701,100
Administrative & general	5,801,699	5,355,905
Total Operating Expenses	\$57,414,996	\$54,120,323
Depreciation & amortization	\$7,242,622	\$6,722,081
Interest on long-term debt	5,159,625	4,900,213
Less: Int. charged to construction	-	(78,013)
Other deductions	120,388	99,116
Total Cost of Electric Service	\$69,937,631	\$65,763,720
Operating Margins	\$3,327,229	\$3,795,212
Non-Operating Margins		
Interest income	\$253,254	\$223,690
Merchandising (net)	80,340	104,599
Non-operating margins	2,673	14,073
Gain/(Loss) on disposition of assets	67,315	(26,925)
G&T capital credits	2,364,230	2,361,074
Other capital credits & patronage	498,506	584,607
Patronage Capital & Margins	\$6,593,547	\$7,056,330

## Consolidated Statements of Cash Flow

Cash Flows from Operations	2024	2023
Net Margins	\$6,593,547	\$7,056,330
Depreciation and amortization	\$7,759,337	\$7,217,444
(Gain)/Loss on sale of assets	(67,315)	27,870
Patronage capital credits assigned	(2,862,736)	(2,945,681)
Accounts receivable	(17,966)	662,001
Other current assets	(13,730)	950,938
Accounts payable	(31,769)	(2,737,519)
Accrued taxes	(221,149)	21,445
Other current liabilities	405,337	367,766
Net Adjustments to Income	\$4,950,009	\$3,564,264
Cash Flows from Operations	\$11,543,556	\$10,620,594

## Cash Flows From Investing Activities

Const. and aquisition of plant	\$(8,834,709)	\$(13,534,077)
Plant removal costs	(473,967)	(327,020)
Gross receipts from sales of assets	78,566	1,928
Patronage capital credits rcvd.	1,065,408	1,129,891
Materials and supplies	223,724	(1,073,155)
Deferred charges	-	-
Notes receivable	-	-
Deferred credits	(15,240)	(15,240)
Cash Flows from Investing Activities	\$(7,956,218)	\$(13,817,673)

## Cash Flows From Financing Activities

Retd. patronage capital credits	\$(3,429,889)	\$(2,845,143)
Donated capital/Other equities	624,118	281,921
Mortgage advances	6,000,000	8,000,000
Mortgage payments	(5,410,521)	(5,233,946)
Payments on other loans	-	-
Consumer deposits	(8,469)	(38,886)
Cash Flows from Financing Activities	(2,224,761)	163,946
Net Increase/(Decrease) in Cash	\$1,362,577	\$(3,033,133)

## Cash and Equivalents - Beginning of Year

Beginning of Year	\$3,443,921	\$6,477,054
End of Year	\$4,806,498	\$3,443,921

# Independent Auditor's Report

We have examined management's assertion that the construction work orders and other plant accounting records created during the time of the audit to support \$117,981,123 in loans advanced from or controlled by the CFC Mortgage Loan Agreement during the year ended Dec. 31, 2024 is in compliance with the measurement and disclosure criteria set forth in the Loan Agreement dated as of July 19, 2021. Boone Electric Cooperative's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

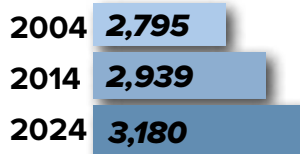
In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the measurement and disclosure criteria set forth in the Loan Agreement dated as of July 19, 2021.

Dennis G. Koch

Certified Public Accountant | Feb. 5, 2025

## Boone Electric Operations By Decade

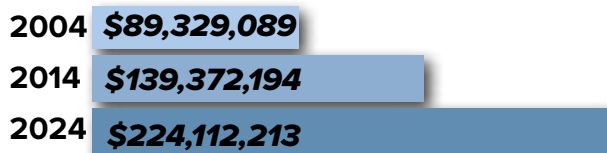
### Miles of Line



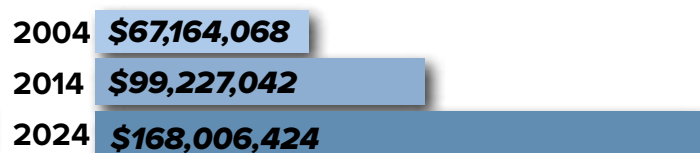
### Meters per Mile of Line



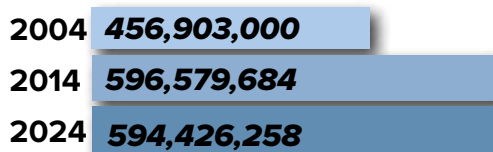
### Total Assets



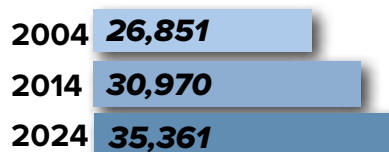
### Net Investment in Plant



### Total kWh Purchased



### Active Meters



**Calls Answered by MSRs - 47,985**

**Prepaid Billing Members - 151**

**EVolve® Members - 256**

**Renewable Choice Subscribers  
Solar - 59 Wind - 89**

**kWh Produced by BEC Community Solar - 178,920 KWH**

**Hours of Power Lost - 73,951**

**BEC Members - 27,167**

**New Services - 553**

**Home Energy Audits - 161**

**Average Energy Savings - 17.74**

**Maximum Demand - 160.9 MW**

**Wildlife Outage Hours - 5,302**

