

Since 1938, Excelsior EMC has been a part of the local community proudly serving our members by providing safe, reliable, and cost-effective service. A big part of our commitment to our member-owners is keeping you informed about the continued progress at your cooperative. The information contained in this Annual Report Newsletter provides a recap of the past year and highlights many of the key activities taking place at Excelsior EMC.

During the last three years, your cooperative continued to experience impressive growth by adding over 1,300 meters. During 2022 alone, we've added 458 meters to our distribution system. Over the past five years, we've grown by 8.1% and now serve 24,766 total meters.

Wholesale power costs were extremely volatile last year. The cooperative's cost of purchased power increased by 42% over 2021. The supply of materials used in construction and maintenance was inconsistent and unpredictable, therefore we increased inventory levels to ensure the reliability you expect. On top of those challenges, the price of everything we purchased increased, further adding to our costs.

The growth that we are seeing in our community requires us to continue improving and expanding our distribution network. During 2022 we added over 35 miles of power lines and invested over \$8.2 million in our system to serve members better.

We completed a field inventory of the electric system in 2022. This project provided GPS coordinates and a list of construction units for every pole, transformer and meter on our system and allowed us to implement an electronic mapping system. This system is beginning to provide efficiencies that will serve us well into the future.

This last year brought a multitude of new industry announcements. These employers will create almost 1,000 new jobs. Those jobs will bring new residents. New residents will need homes. New residents purchase food, groceries, and services that create new businesses. All of these will need electrical service that we provide. We've spent a lot of time preparing for the upcoming growth challenges by making changes to our organizational structure so that we can respond to the changes that will be needed.

Looking ahead, our four-year workplan calls for the conversion of the Jimps Substation near the Wal-Mart Distribution Center south of Statesboro. This work will provide additional capacity and improve reliability by creating ties to nearby substations. Look for this work to begin later this fall in preparation for the November cutover date.

As a not-for-profit cooperative, our mission is to provide the best in safe, reliable, and cost-effective service to you, our member owner. We're honored to be part of a cooperative that's been serving members for 85 years. We look forward to seeing you at this year's Annual Meeting, and we're excited about the opportunities to serve members today, tomorrow, and beyond.