

All of the Above Power Generation

Craighead Electric Cooperative Corporation and its wholesale energy provider, Arkansas Electric Cooperative Corporation (AECC), work diligently to stay ahead of the energy needs of electric cooperative members in Arkansas. The wholesale power provided to the member cooperatives is generated from wind, water, natural gas and the cleanest coal technology available. This “all of the above” power generation strategy is intended to ensure that electric cooperative members have access to safe, reliable and affordable power.

We Power Our Members

Electric cooperative members depend on Craighead Electric Cooperative Corporation

to provide power for their homes, businesses and farms. With employees who live and work in these communities, the cooperatives care for their fellow Arkansans. The 17 distribution cooperatives depend on the reliable and affordable power supply provided by AECC.

AECC, a generation and transmission cooperative, was formed in 1949 and now has assets of more than \$1.6 billion and annual energy sales exceeding \$736 million. It provides wholesale electricity to the state’s electric distribution cooperatives. The member cooperatives and approximately 500,000 members rely on AECC to provide dependable, safe and reasonably priced power.

AECC’s diverse generation assets include four coal-based plants, three hydropower plants, three natural gas/oil-based plants and four natural gas-based-only plants. Additionally, AECC has power purchase agreements for wind energy. This generation mix enables AECC to deliver dependable wholesale electricity. The end result of the power assortment is a dependable, affordable energy source for Arkansas electric cooperative members.

Future Power Needs

Craighead Electric Cooperative Corporation and AECC take a long-term approach to plan for the energy needs of future generations of cooperative members. AECC continues to explore innovative methods to provide members with environmentally sound power resources by maximizing the value of existing generation resources, investing in new technologies and developing renewable energy resources. AECC is now participating in two regional transmission organizations to ensure that Arkansas electric cooperative members receive the benefit of the most economic generation available in regional territories.

Affordable Rates

Sound business practices and effective long-range planning enables Craighead Electric Cooperative Corporation to maintain stable and affordable rates, which in turn helps to promote growth in local communities. Cooperatives are industry leaders in implementing technology for electric distribution systems. In addition to the employment of technology, Craighead Electric Cooperative Corporation maintains a local presence to provide members with a high level of member service. Proposed state and federal regulations continue to be a concern and as a consumer advocate, your local electric cooperative monitors the development of legislation and regulations that would not be beneficial to cooperative members.

Energy Efficiency

Craighead Electric Cooperative Corporation and AECC are committed to promoting the efficient use of electricity to meet the growing energy requirements of members. Educating members about the efficient use of energy resources helps members manage energy costs and helps safeguard natural resources. The electric cooperatives across Arkansas utilize an array of methods

from home energy audits to an energy efficiency home makeover contest to educate members on energy efficiency. A comprehensive resource list is available at: www.smartenergytips.org.

Enhancing Members’ Quality of Life

Craighead Electric Cooperative Corporation is much more than just the “local electric company.” The cooperative business model centers around seven principles: voluntary and open membership; democratic member control; members’ economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community. These principles guide Craighead Electric Cooperative Corporation and the state’s other electric cooperatives. As a not-for-profit business, Craighead Electric Cooperative Corporation is motivated by service to local members, not out of state stockholders.

The Cooperative Difference

Communities across Arkansas depend on the support of their local electric cooperative. Craighead Electric Cooperative Corporation is committed to informing members about issues that impact their electric bill through Arkansas Living magazine and electronic-based communications media. Be assured, your local electric cooperative will continue to work diligently for our members. Our employees work to help our communities and neighbors. Craighead Electric Cooperative Corporation is owned by its members, operated by Arkansans to serve Arkansans.



Dear Member,

Once again, Craighead Electric Cooperative Corporation continued its commitment to member service in a financially responsible manner.

Our total margins of \$4,769,395 were adequate to meet the requirements of mortgage agreements. Member equity in the system was 47.2 percent at the end of the year. Members were refunded \$1,066,508 in cash to redeem patronage capital credits. The redemption brings the total capital credits refunded to members to \$15,244,888.

Thomas, Speight & Noble, CPA’s, audited our financial records. You are welcome to examine that report.

System statistics of interest include: average meters served, 28,991, a net increase of 612 meters; more than 4,762 miles of power lines; 517,534,745 kWh used by members, up 11,616,655 kWh from the previous year; a system peak demand of 128,816 kilowatts, recorded in the month of August; and a net plant valuation of \$125,920,870 at year’s end.

Additional financial data and operations information is available in this annual report.

If you have any questions concerning your electric cooperative, we are happy to answer them.

Tom Sloan,
CHAIRMAN

J.D. Salmons,
VICE CHAIRMAN

Keith Mosbey,
SECRETARY-TREASURER

Brian Duncan,
CEO

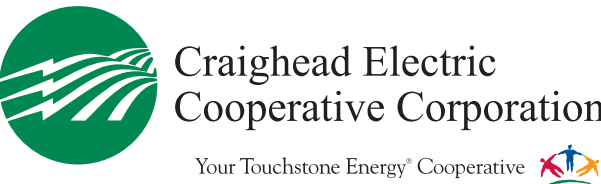
Annual Meeting Official Notice

Notice is hereby given that the Annual Membership Meeting of Craighead Electric Cooperative Corporation will be held on August 29, 2014, at the headquarters in Jonesboro, Craighead County, Arkansas, beginning at 1:00 p.m., for the following purposes:

1. To pass on reports for the previous fiscal year;
2. To elect one (1) director for the cooperative, to serve a term of six (6) years; and,
3. To transact such other business as may properly come before the meeting.

Keith Mosbey,
SECRETARY-TREASURER

Dated at Jonesboro, Arkansas, this 30th day of July, 2014.



Program

Registration: 12:30 - 1:00 p.m.
Business Session: 1:00 p.m.

This will be a business session only. No attendance prizes will be awarded and there will be no entertainment.

One Cooperative Way

2013

ANNUAL REPORT





Craighead Electric Cooperative Corporation

Your Touchstone Energy® Cooperative 



Craighead Electric
Cooperative Corporation

Your Touchstone Energy® Cooperative



Officers & Directors

Tom Sloan,
CHAIRMAN

J.D. Salmons,
VICE CHAIRMAN

Keith Mosbey,
SECRETARY-TREASURER

Jim Parrish

Terry Rorex

Dwight England

Steve Kueter

Len B. Nall

Brian Duncan,
CEO

2013 ANNUAL REPORT Craighead Electric Cooperative Corporation

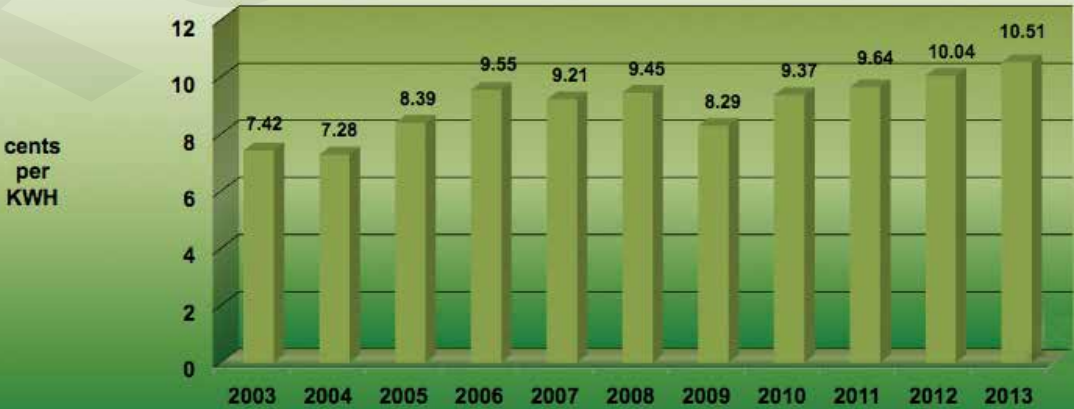
CONDENSED BALANCE SHEET

Assets	2013	2012
Electric Plant	\$ 167,080,927	\$ 157,291,551
Less Accumulated Depr.	\$ (41,160,057)	\$ (37,970,218)
Net Utility Plant	\$ 125,920,870	\$ 119,321,333
Other Assets	\$ 26,227,682	\$ 26,100,887
Current Assets	\$ 38,236,287	\$ 42,983,773
Total Assets	\$ 190,384,839	\$ 188,405,993
Members' Equity	\$ 89,912,568	\$ 85,236,291
Long-Term Debt	\$ 84,190,751	\$ 87,456,011
Current Liabilities	\$ 8,497,722	\$ 8,377,719
Other Liabilities	\$ 7,783,798	\$ 7,335,972
Total Liabilities and Members' Equity	\$ 190,384,839	\$ 188,405,993

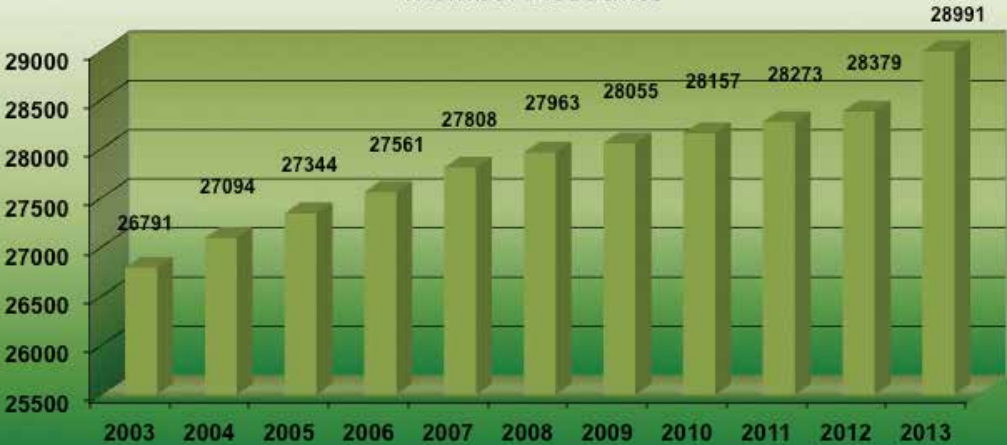
CONDENSED OPERATING STATEMENT

	2013	2012
Operating Revenues	\$ 53,854,999	\$ 50,201,090
Power Cost	\$ 30,452,797	\$ 27,972,608
Operation and Maintenance	\$ 11,877,612	\$ 11,246,643
Depreciation	\$ 4,952,294	\$ 4,762,914
Interest	\$ 4,018,231	\$ 4,263,427
Total Operating Expense	\$ 51,300,934	\$ 48,245,592
Margins from Operations	\$ 2,554,065	\$ 1,955,498
Non-Operating Margins	\$ 1,522,114	\$ 1,739,333
Other Margins and capital credits	\$ 693,216	\$ 2,261,513
Net Margins	\$ 4,769,395	\$ 5,956,344

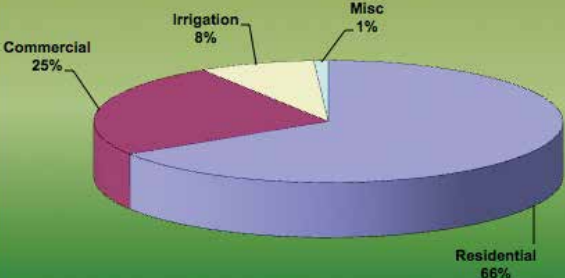
Average Residential Revenue per KWH Sold



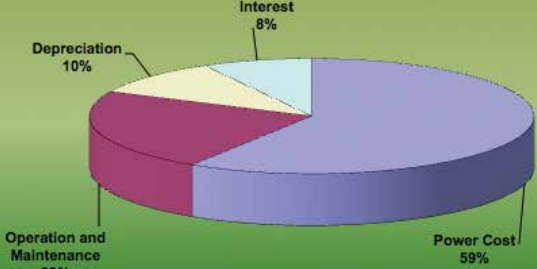
Member Accounts



WHERE THE DOLLAR COMES FROM



WHERE THE DOLLAR GOES



WE ARE
YOUR
LOCAL
ELECTRIC
COOPERATIVE