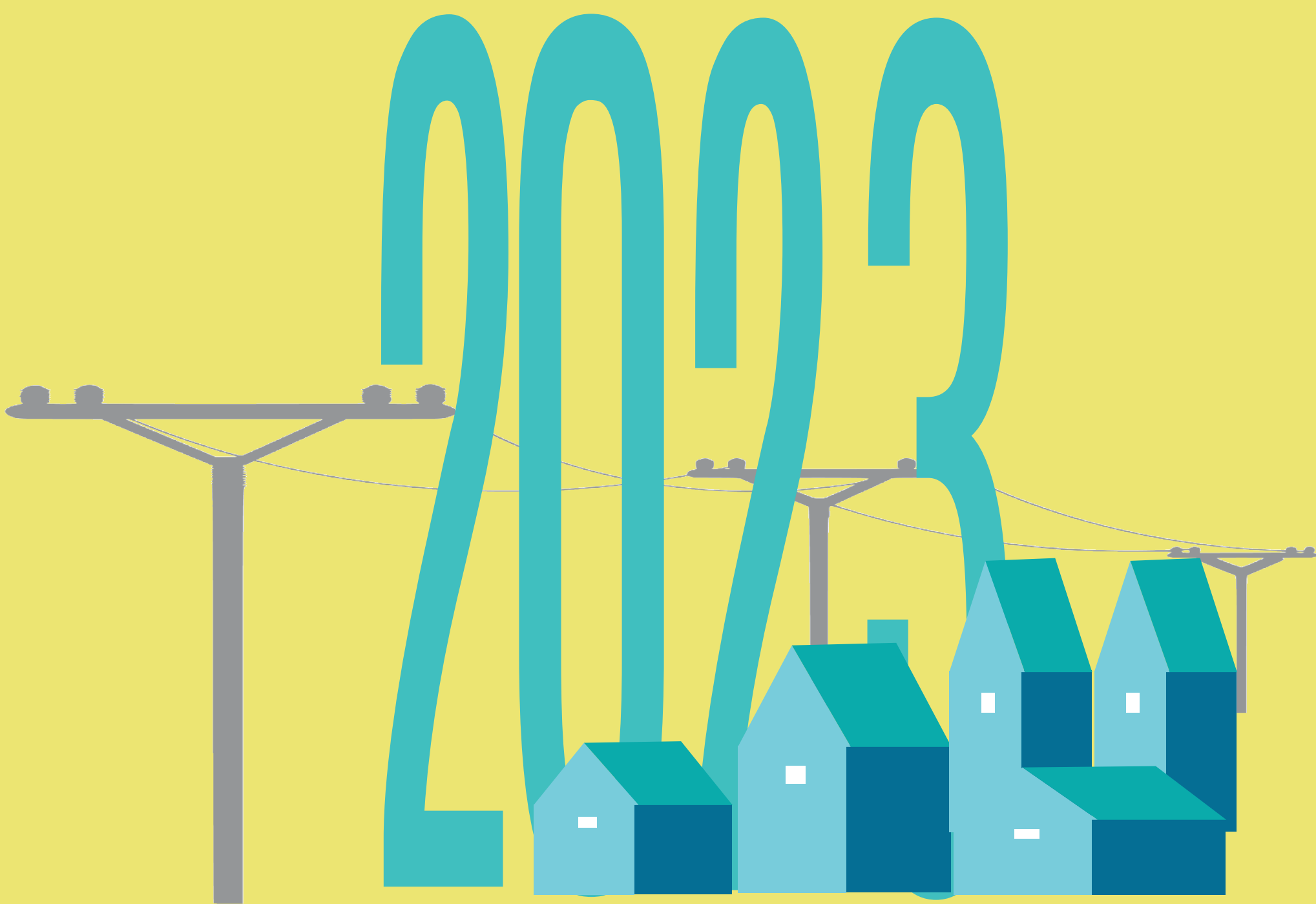


ANNUAL REPORT



 **OLCEC**
PEOPLE. POWER. POSSIBILITIES.

ANNUAL REPORT

PRESIDENT AND CEO MESSAGE

Electric cooperatives follows a distinctive business model, exemplified by LCEC, where the focus lies on meeting to the needs of members rather than shareholders. The governing body comprises of a Board of Trustees who are members themselves and elected by LCEC members, collaborating with management to formulate policies, practices, and procedures that prioritize the collective well-being of all members. Originating in the United States in 1937, electric cooperatives emerged to address the electricity needs of underserved areas. LCEC, established in 1940, undertook the mission of bringing electricity to parts of Southwest Florida overlooked by other utilities. As we approach our 85th Anniversary, there's a compelling narrative to share. In this report are stories and illustrations highlighting the year 2023 and how LCEC has consistently upheld cooperative principles, core values, and our mission and vision.

*Russell Priddy, President of the Boar of Trustees
Denise Vidal, Chief Executive Officer and Executive Vice President*



Vision

Trusted partners energizing lives in the communities we serve.

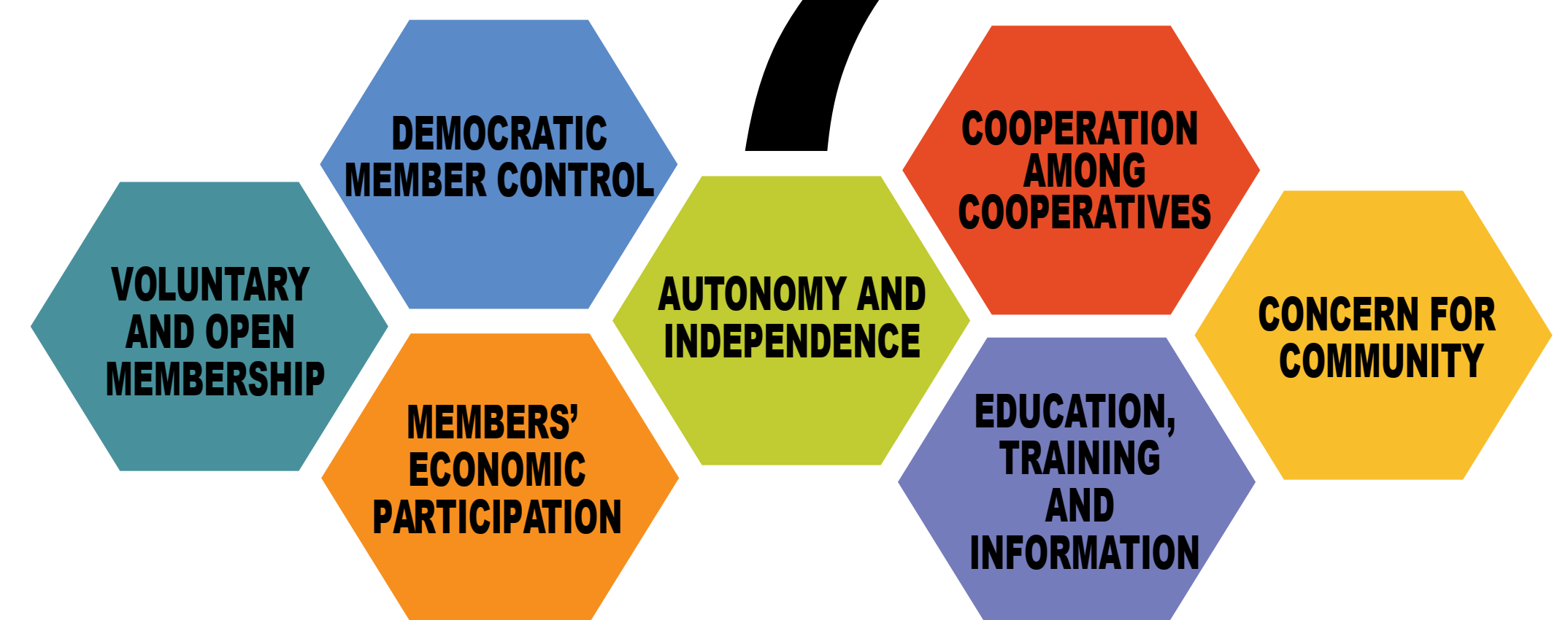
Mission

We are a team committed to providing reliable and competitive electric services and quality customer experience.

LCEC Core Values

- Safety as everyone's responsibility.
- Providing quality external and internal customer service.
- Commitment to integrity, diversity and respect.
- Employees working together to make success happen.
- Accountability for results.
- Responsibility to energize the community.

COOPERATIVE 7 PRINCIPLES



A TALE OF AN ELECTRIC COOPERATIVE

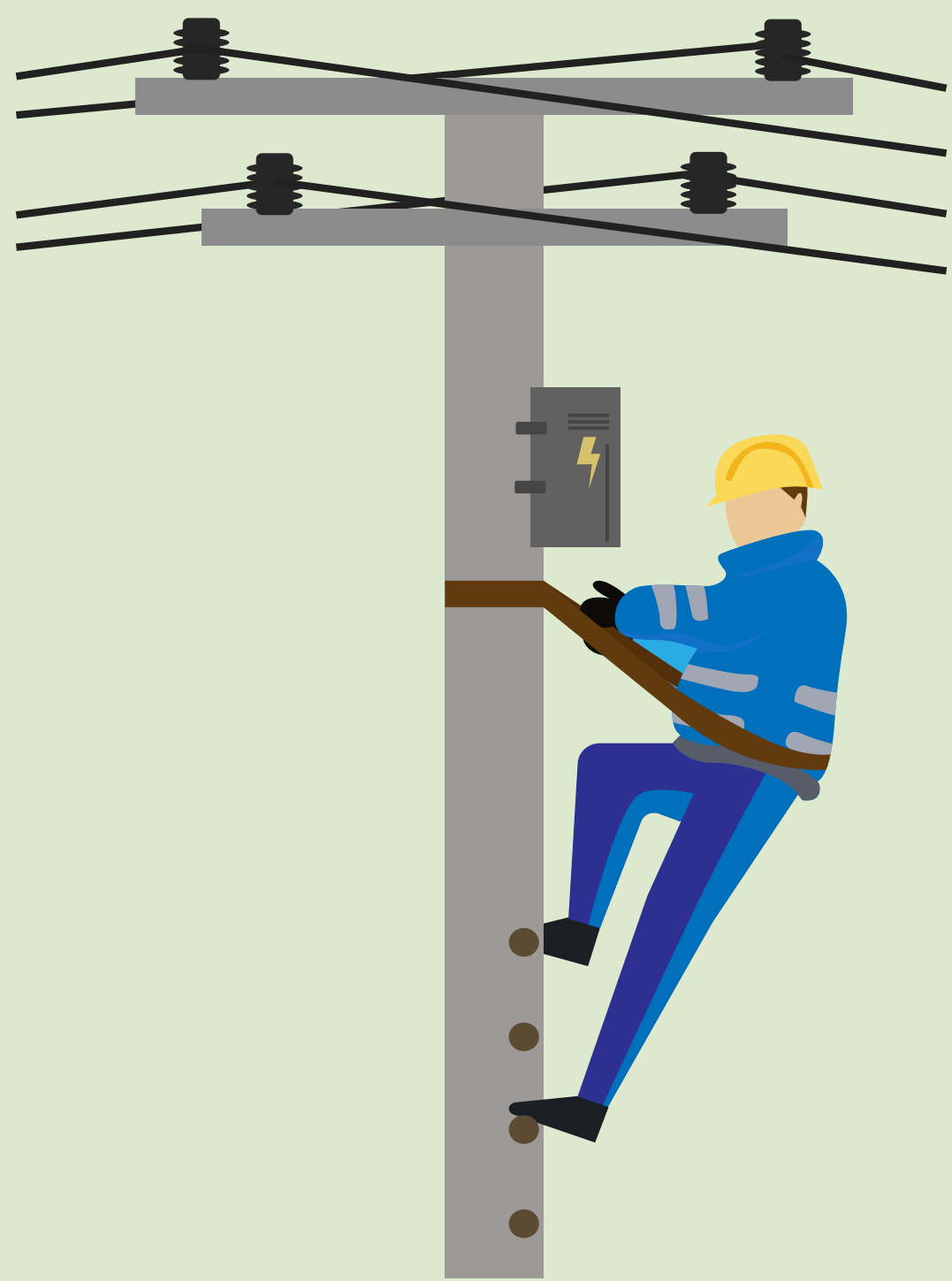
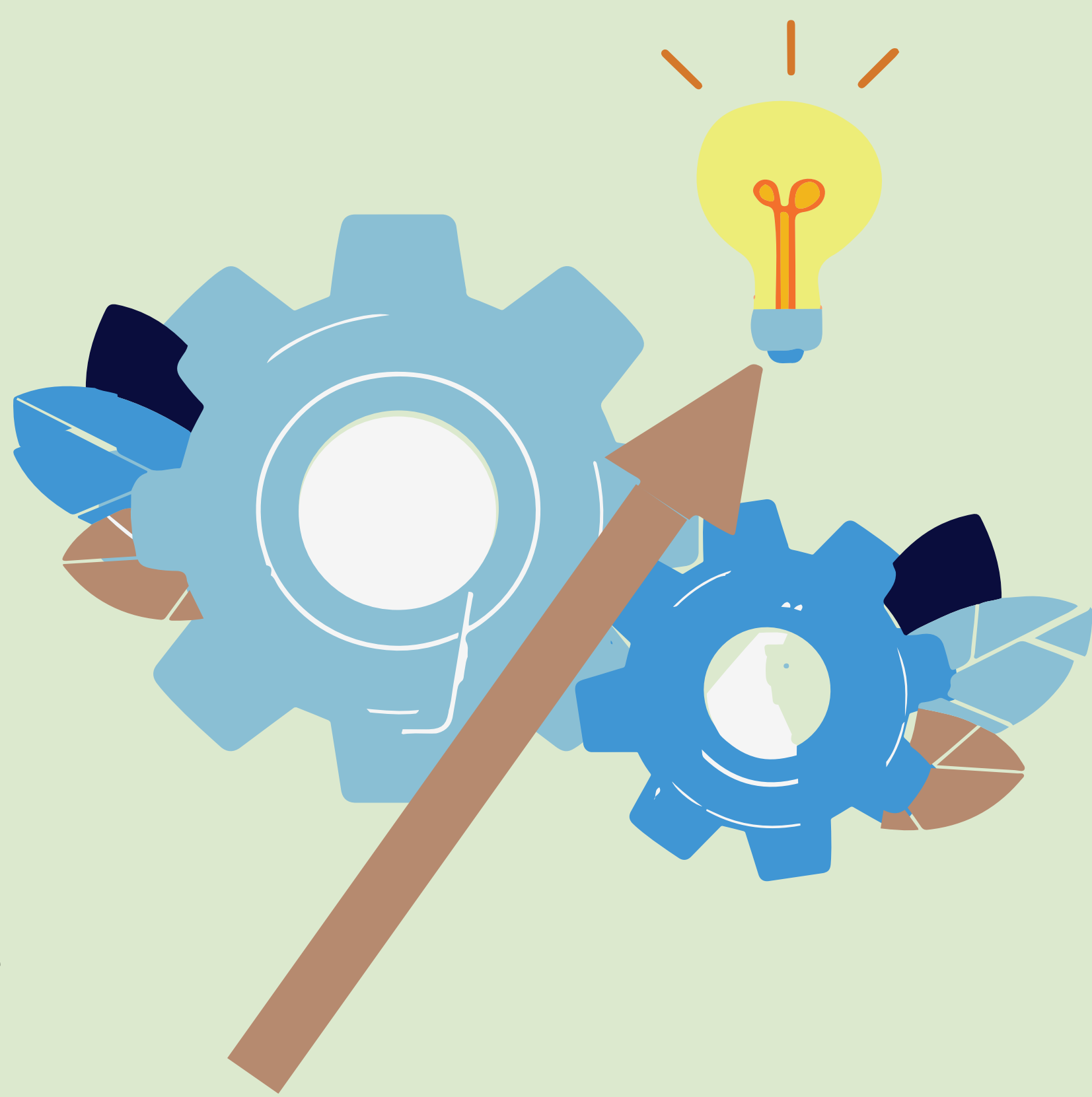
– HOW MEMBERSHIP MATTERS

In the heart of a vibrant Southwest Florida territory, lush with barrier islands like Sanibel, Captiva, Pine Island, Everglades City, and Marco Island, nestled in the middle of North Fort Myers and spread across Cape Coral, the largest city between Tampa and Miami, and throughout the rolling farmlands of Immokalee and green areas of Lehigh Acres, there exists a unique electric distribution cooperative called LCEC. This cooperative is not just an ordinary utility; it is a community of neighbors and friends working together to illuminate lives with the power of electricity. Membership in this cooperative brings boundless advantages to the residents and business owners it serves.



Empowering energy education:

LCEC believes that knowledge is power. Newsletters, social media, presentations, an interactive website, and SmartHub empowered members with insights and tools aimed at energy efficiency. This not only reduced individual energy costs but also cultivated a culture of responsible energy consumption, making LCEC a shining example.



Safety illuminated:

Safety is paramount at LCEC. State-of-the-art technology, ongoing training, and rigorous maintenance, ensured that the electric infrastructure and the workforce met safety standards. Members rested easy, knowing that the brilliance of their lights were not just powerful but also secure.

Shared equity, community flourished:

In times of surplus electricity revenue, LCEC shares the margins with its members in the form of equity. This equity manifests as credits on bills or even direct retirements. LCEC continued to embrace the philosophy that the more the community thrives, the brighter the collective future will be and the more membership matters.



As the stars twinkle over Southwest Florida, the glow of lights powered by LCEC paint a picture of a community thriving in shared brilliance. Imagine a community thriving in shared brilliance. By uniting energies, members and the LCEC team not only illuminated lives but also energized a shared future. The story is a testament to the magic that unfolds when a community comes together, sharing the radiance of electricity and the warmth of the cooperative spirit.



PLANNING THE WORK, LEARNING, AND TELLING THE STORY

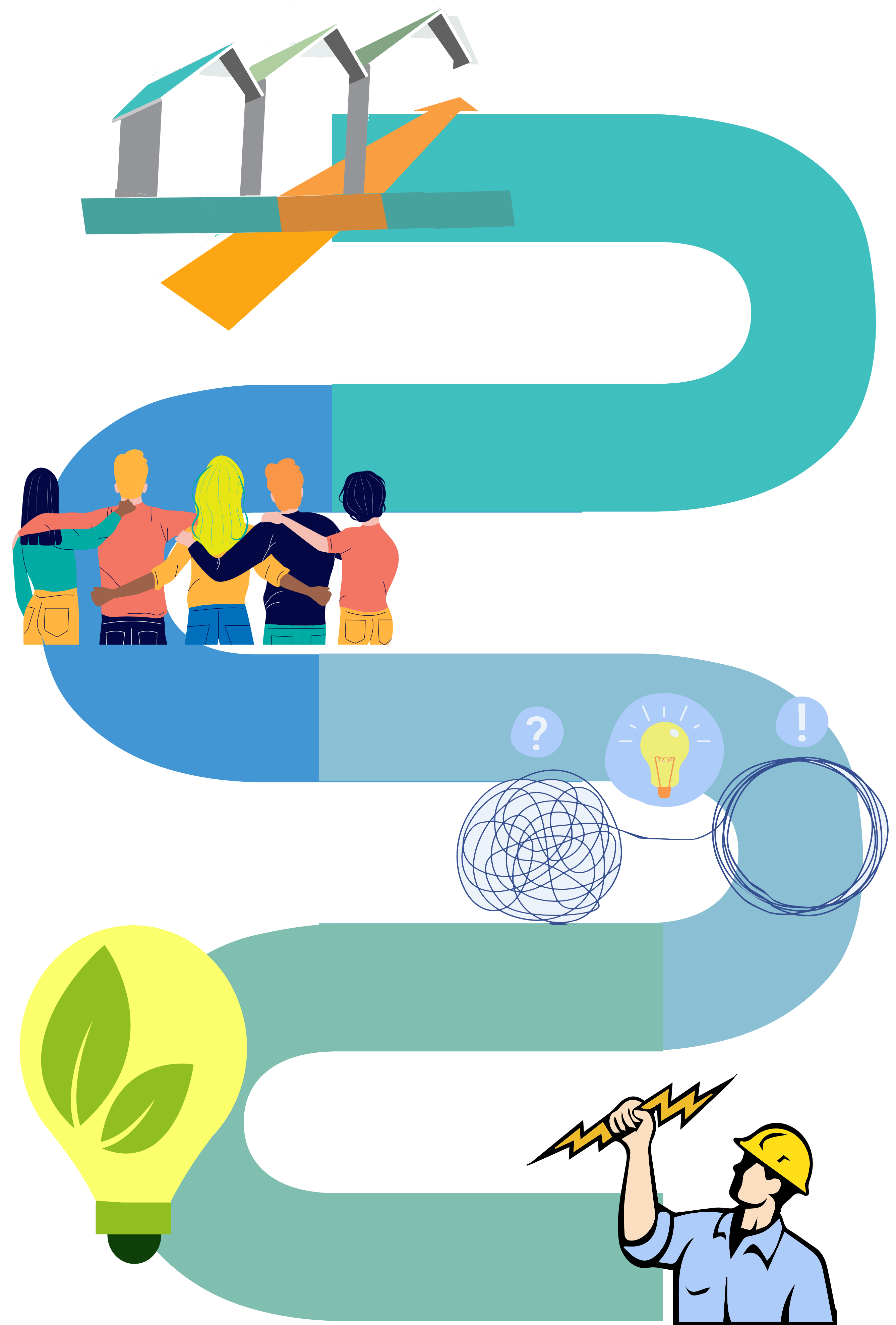
While time stood still in some parts of the world, the pace remained rapid for LCEC. Growth throughout the region required a strategic business plan in order to ensure priorities and business objectives were carefully aimed at meeting members' needs. Curiosity, creativity, and innovation danced hand in hand for the electric cooperative in 2023. Through the collective efforts of the LCEC team, vendors and suppliers, contractors, and government officials, endless possibilities were unlocked.

LCEC was home to a multitude of talents, from skilled subject matter experts to strong leaders. They knew that success was not an individual accomplishment but a collective venture. The extraordinary power of teamwork would once again prove to help LCEC overcome challenges and hit all key performance indicators targets, equating to reliable power, affordable electric rates, quality service, and a safe environment for all.

Recognizing the importance of continuous learning, LCEC invested in workforce development through training classes, certifications, workshops, seminars, and conference attendance. The groundwork was laid to become a hub of knowledge where skills could be passed down through generations creating a legacy of utility industry wisdom.

The LCEC team also focused on educating the community about energy conservation and ways to manage their bill. They participated in events and provided tools to teach members about the importance of using electricity wisely. The community embraced the idea of being active participants in the resilient electric system, turning off lights when not needed and using energy-efficient appliances.

The tale of past perseverance, collaboration, and the pursuit of excellence was one that others wanted to hear, and it deserved to be told. LCEC storytellers set out to use all possible channels to spread the word about the herculean efforts that successfully rebuilt the electric grid after Hurricane Ian hit. The story was told across the state at utility conferences and in the media. LCEC was recognized as a Large Industry Leader in the region, and the pride from employees and members alike could be seen far into the galaxy.



BY THE NUMBERS



3,123
wood poles
replaced



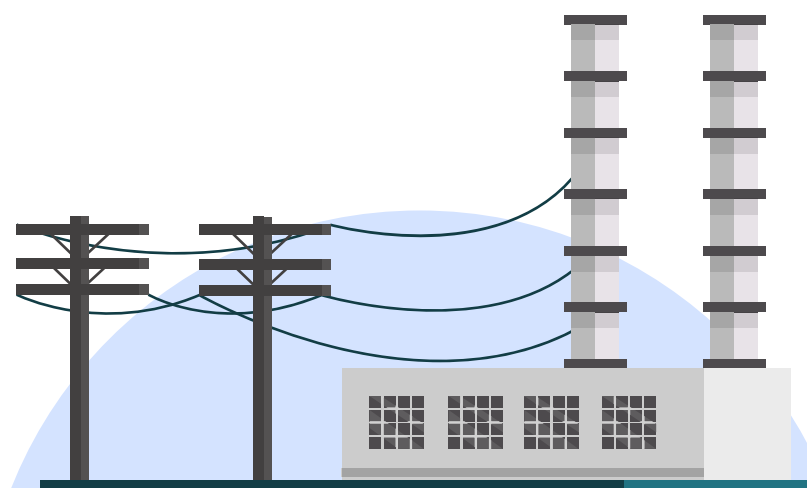
1.2 million
personalized videos
emailed to members
with billing info



19 grid-resilient
grant applications
processed



2,000+ families
provided with food at
LCEC-Harry Chapin
Food Bank events



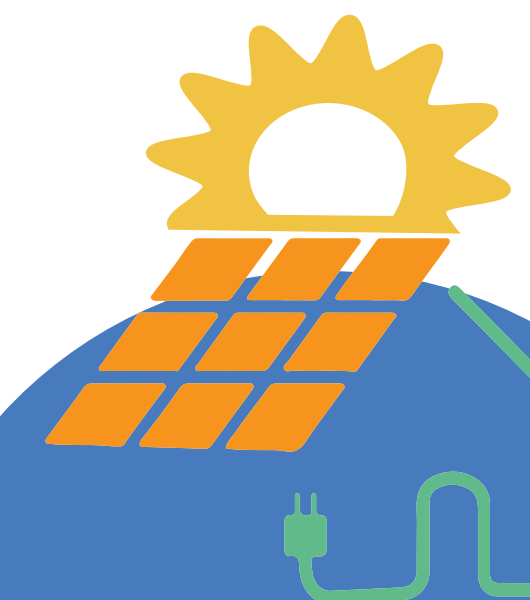
1 new substation
and transmission line
added in
Cape Coral



275,209 calls
handled by LCEC
customer care agents



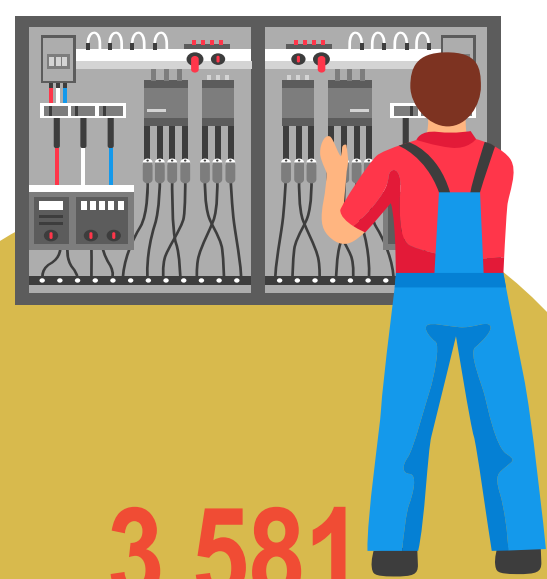
77 employee
promotions,
progressions, and
lateral moves



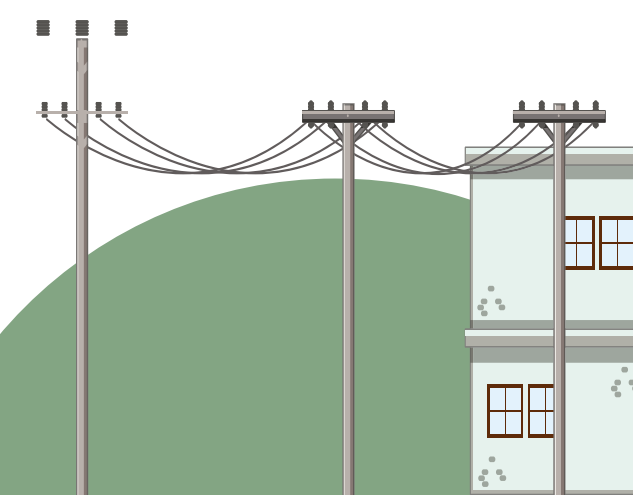
7,845 members
participating in
the net metering
program



2.7 million
lcec.net self-service
request visits



3,581
maintenance
inspections on power
line equipment



22 miles of
wire replaced
to harden the
system



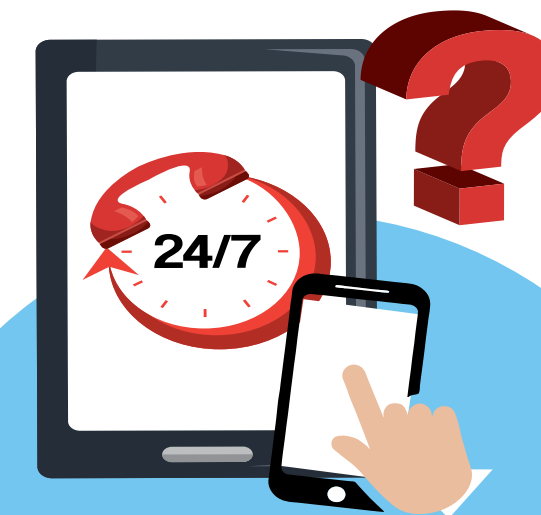
221,077
surveys sent to
members



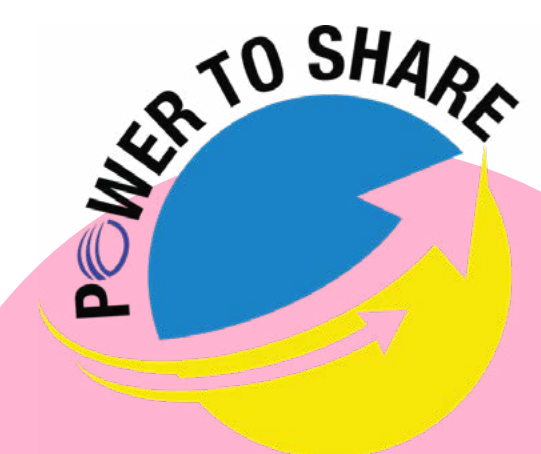
2.7 million
bills sent



18 remote controlled
switches on the grid
installed to reroute
power during an
outage



999,823 calls
taken through
Interactive Voice
Response



An LCEC Community Partnership

2,387 members
opted into Power
to Share

A RESILIENT ELECTRIC SYSTEM



Once upon a time, in the bustling region of Southwest Florida, there was a dedicated group of LCEC electric system designers and engineers who were determined to create the most resilient electric system the territory had ever seen.

They understood that a reliable and robust electrical system was crucial for the well-being of the community. And so they continued to embark on the exciting journey to build and maintain a hardened power grid.

The team began their work by building upon the LCEC relationship with a power supplier who harnessed various energy sources. They carefully integrated a renewable energy net metering program to ensure a sustainable and eco-friendly option was available to members.

To make the electric system resilient, the LCEC team incorporated cutting-edge technology. They installed smart sensors and monitoring devices throughout the system to detect any issues in real-time. These

sensors communicated with a system control center, allowing the team to respond swiftly to any disruptions and keep the lights on for LCEC members.

The power grid was designed with redundancy in mind. Multiple pathways were created for the electricity to flow, ensuring that if one route faced a problem, the power could seamlessly be rerouted through alternative channels. This way, even if there was a storm or a technical glitch, LCEC members wouldn't be left in the dark.

As the six-county service territory prospered under the glow of the resilient electric system, the members felt a sense of pride and security. They knew that even in the face of challenges, their LCEC power grid could withstand the worst of situations. Power outages were now a distant memory.

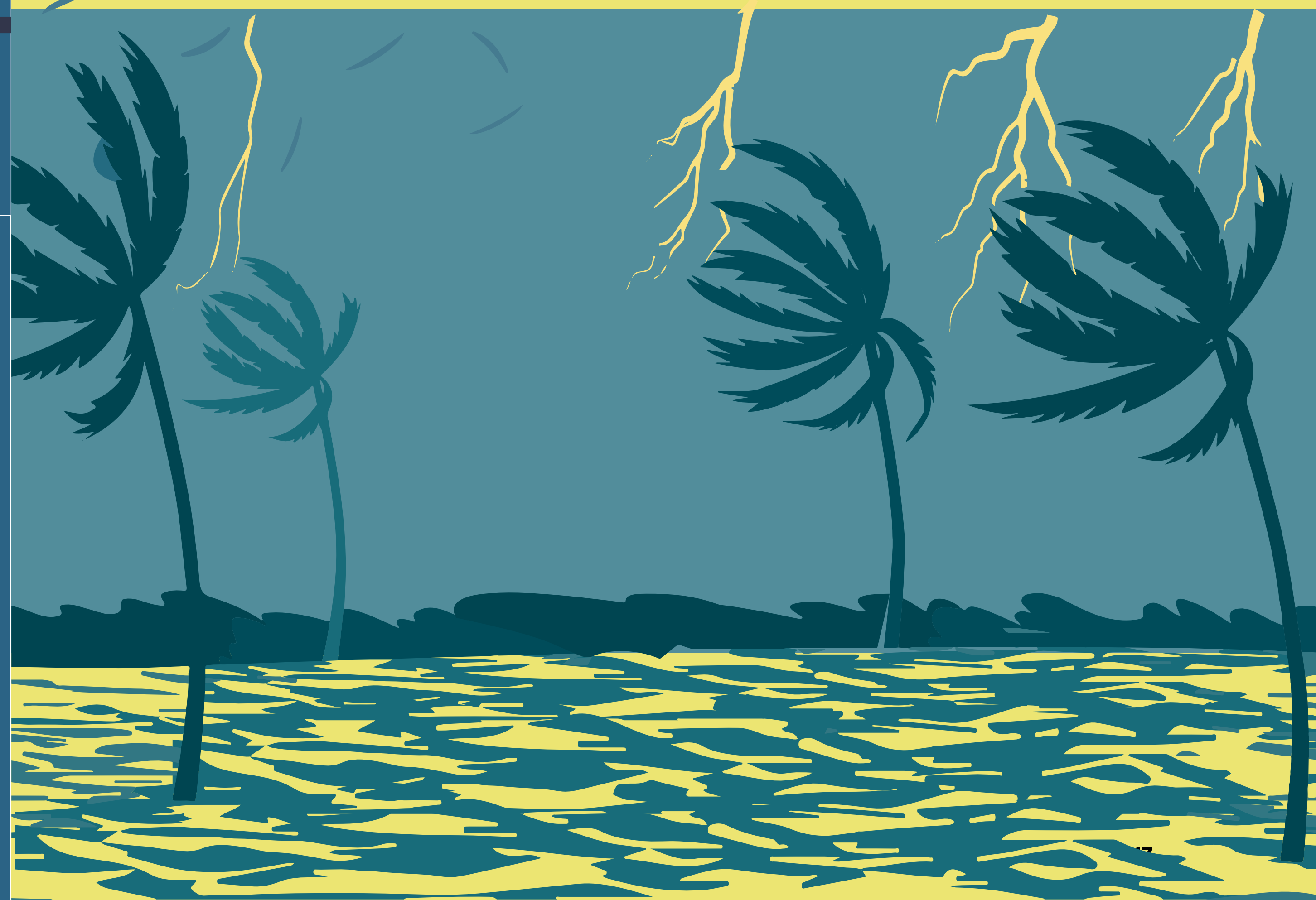
The resilient LCEC electric system became a beacon of progress, demonstrating that with dedication, innovation, and community involvement, an electric cooperative could shine bright even in the face of challenges.



WHEN WEATHER THREATENED

It was a dark and stormy night, the palm trees were swaying, and the waves were crashing on the shores from the Everglades all the way to Bokeelia. While IBEW Local 1933 LCEC linemen were on standby throughout a six-county service territory, the utility infrastructure held strong. A few isolated power outages occurred here and there and were restored quickly and safely thanks to the combined response efforts by the crews in the field and those who support them behind the scenes. They are used to braving the storm. In the light of the day, it was clear to see the resiliency of the LCEC electric system had held up well during the summer of 2023.

And when the winds wreaked havoc on other parts of the land, the LCEC team was ready and willing to share their heroic nature, proven expertise, and utility equipment and materials to aid those in need. For these very victims had answered the call when LCEC needed help, and it was a good chance to show thanks. Teams of skilled LCEC workers left the safety of their homes and families to travel into the darkness and bring light back to communities in northern Florida. After weeks of long days and short nights, the team returned home knowing they had demonstrated the cooperative way.



PRESERVING THE TERRITORIES



In the year of 2023, LCEC roamed the land, using all the resources they had to support and uplift the communities they served. They knew it was their duty to spread kindness and goodness in every neighborhood, school, organization, and business within their reach. Being responsible members of society was part of their identity.

Their stewardship extended far beyond corporate walls - employees embodied citizenship by donating their time and talents to countless agencies, such as the United Way, Chambers of Commerce, American Heart Association, mentoring programs, and youth arts and education programs. And as they delivered sweat equity and compassion, they made a lasting positive change in the world.

They also understood the delicate balance of protecting and preserving cherished resources. With great care, they worked with others to preserve the spectacular scenery, unique wildlife, and abundant local treasures of Southwest Florida. Through partnerships and programs like vegetation management, recycling, and a robust Environmental Funding Awards Program, they invested in the environmental future of their beloved home.

And with each passing day, they continued to spread awareness and educate others on the importance of protecting habitats, ecosystems, plants, and animals. It was just another way that LCEC showed their dedication to being good stewards of the land and making a positive impact in the world.

SUSTAINABILITY

In the vibrant land of LCEC, where the whispers of the wind carry tales of responsibility and care, a deep understanding prevails that sustainability holds the key to the prosperity of generations yet to come. The wise inhabitants of LCEC invested their time and boundless energy in practices and initiatives that honored the Earth.

With a heart attuned to the rhythms of nature, LCEC champions recycled, danced with renewable energy programs, and spread the seeds of knowledge through educational initiatives. The magic of paperless billing options, net metering, and online annual election voting bloomed like wildflowers, inviting members to join the dance of doing good and greening up their member experience.

In this enchanted realm, LCEC opened its arms wide, offering free energy audits and providing tools adorned with the sparkle of SmartHub functionality, all to encourage the noble arts of energy efficiency and conservation. The spirit of nurturing and mentoring is woven into the very fabric of the LCEC business strategy, for they understand that cultivating a future workforce is as essential as tending to the roots of a mighty tree.

As the sun sets over LCEC, a radiant glow emanates from the heart of this community. It is a glow fueled by the commitment to sustainability, a commitment that lights the way for future generations to walk a path adorned with the vibrant hues of a thriving, harmonious world.



LEADERSHIP TEAM

BOARD OF TRUSTEES

TARIK AYASUN

Trustee at Large

CRAIG WOODWARD

District 1 – Marco Island, Goodland, and Everglades City

DAVID BEAM

District 2, Seat 1 – Cape Coral

ELEANOR FLANNERY

District 2, Seat 2 – Cape Coral

MICHAEL POWELL

District 2, Seat 3 – Cape Coral

CHAUNCEY GOSS

District 3 – Sanibel, Captiva, and Pine Island

RICHARD “BO” TURBEVILLE

District 4 – Lehigh Acres

RICHARD PRITCHETT III

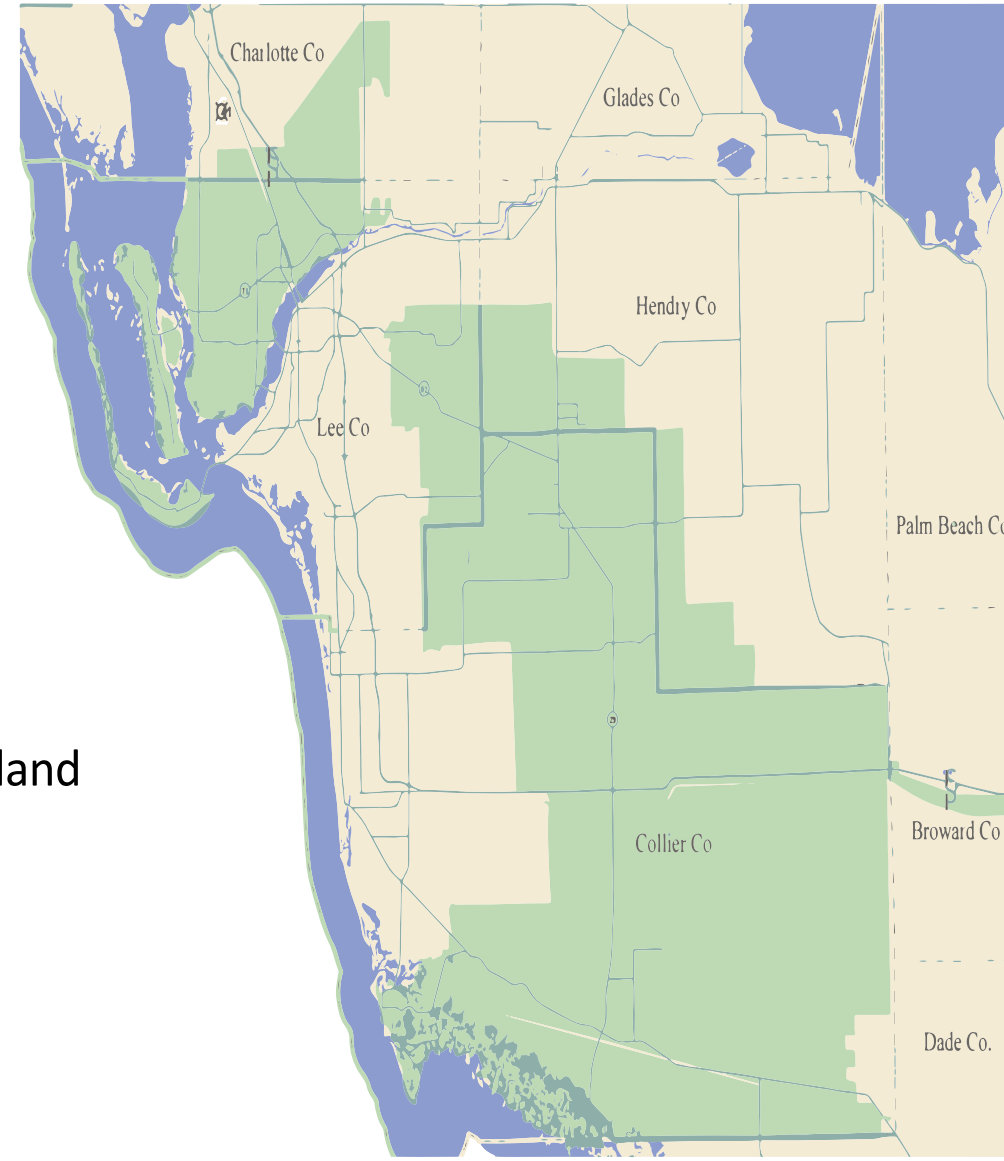
District 5, Seat 1 – North Fort Myers

RICK JOYCE

District 5, Seat 2 – North Fort Myers

RUSSELL PRIDDY

District 6 – Immokalee, Ave Maria



CHIEF EXECUTIVE OFFICER

DENISE VIDAL

Executive Vice President and Chief Executive Officer

DIRECTORS

GARY AVIN

Customer Care Operations

SARAH BULLOCK

Finance & Supply Chain, and Chief Financial Officer

CLARK HAWKINS

Electric Operations

ED NAGY

Information Technology and Chief Information Officer

ALLAN RUTH

Business Continuity

KAREN RYAN

Public Relations

AMANDA SMELKER

Administrative Services

SANDY THOMPSON

Human Resources

MANAGERS

PAUL ACKERMAN

IT Operations and Information Security Officer

RAY BOSS

Facilities & Security

SUSAN CRISAFULLI

Finance & Accounting

DENNIS DAVIDSON

Operations Business Support

SKYE HONAS

Customer Billing & Field Services

TOM HORNBY

IT Security

BRIAN KLEPPER

IT Infrastructure

CINDY LITTRELL

Strategy Execution & PMO

MYRON MARTIN

Procurement & Supply Chain

ELLEN NICHOLS

Risk

BILL PILAND

Design & Engineering

BIANCA PRESTON

Member Programs

GARY RICHARDSON

Substation, Communication, and Meter Services, and System Operations

FRANK SHERKUS

Construction & Maintenance (LCEC)

RUSTY SNIDER

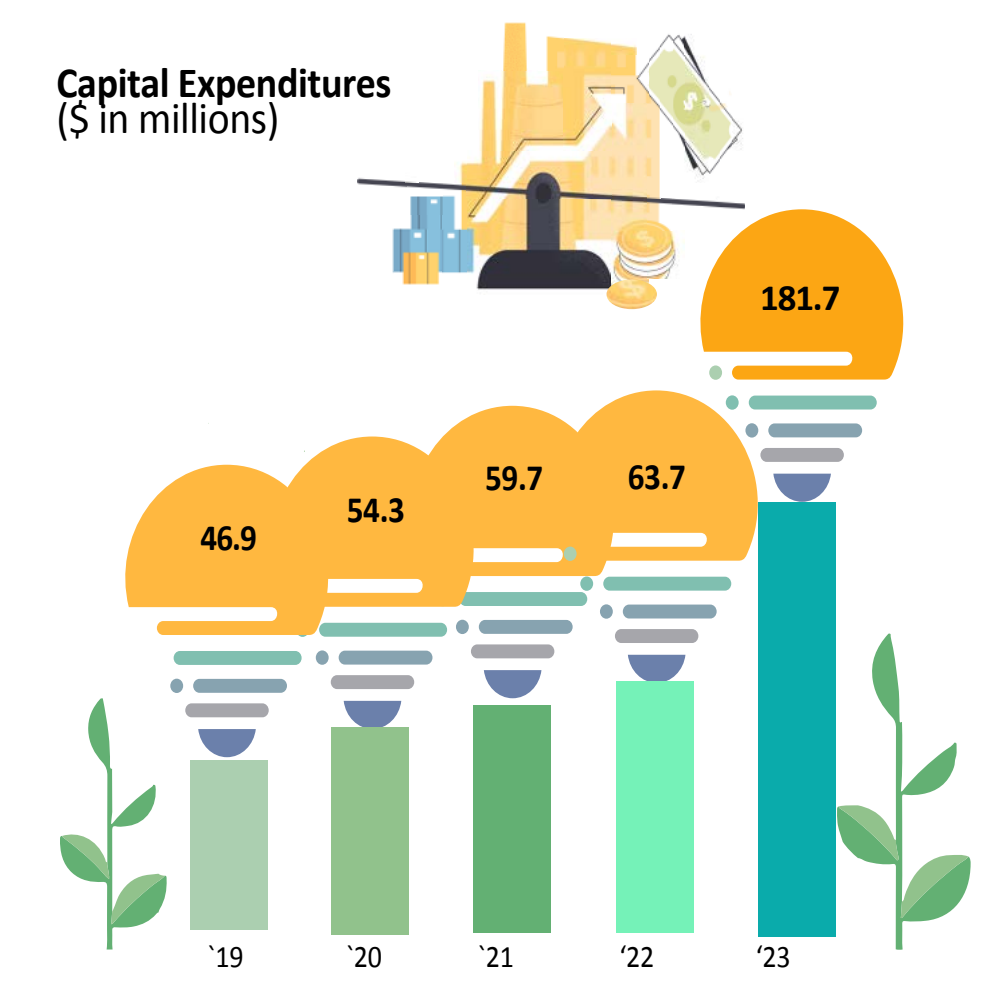
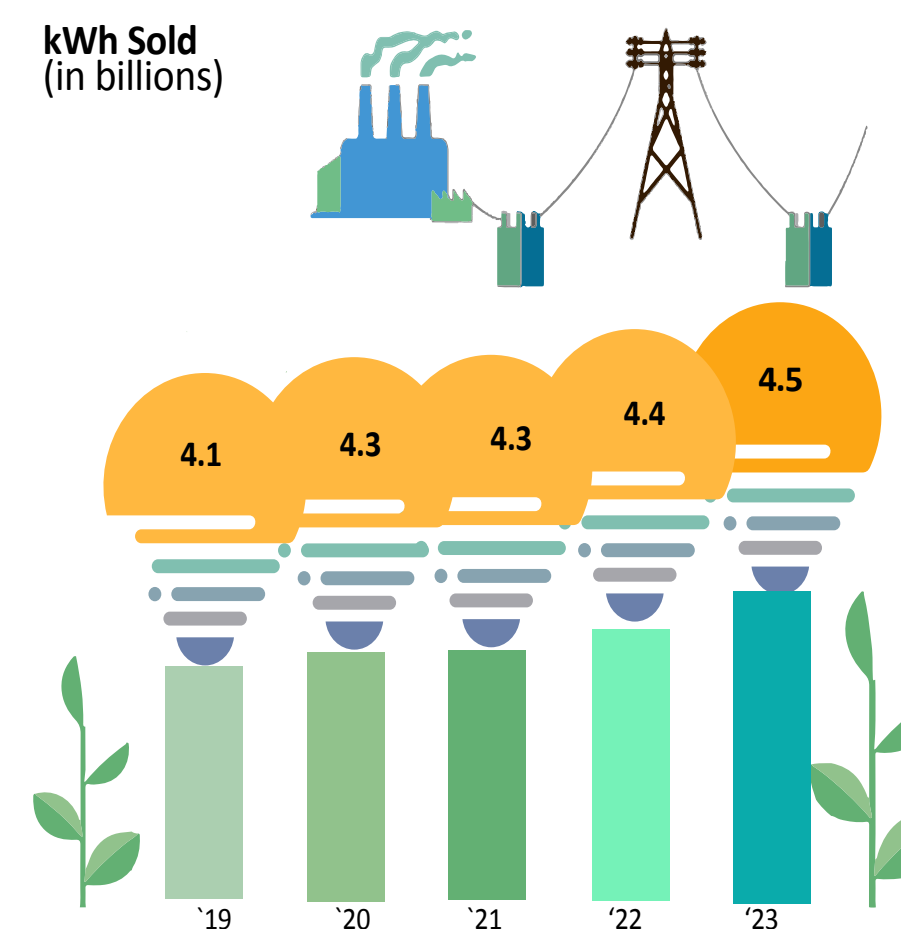
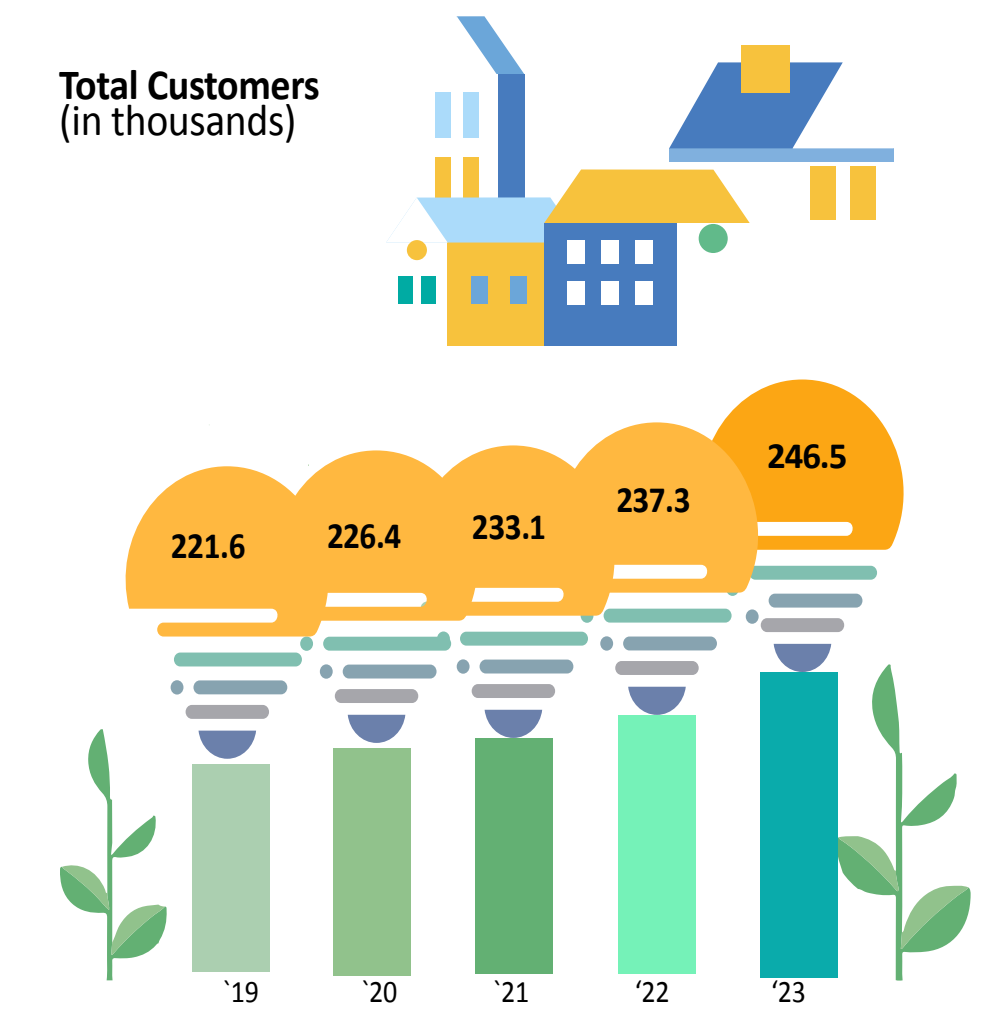
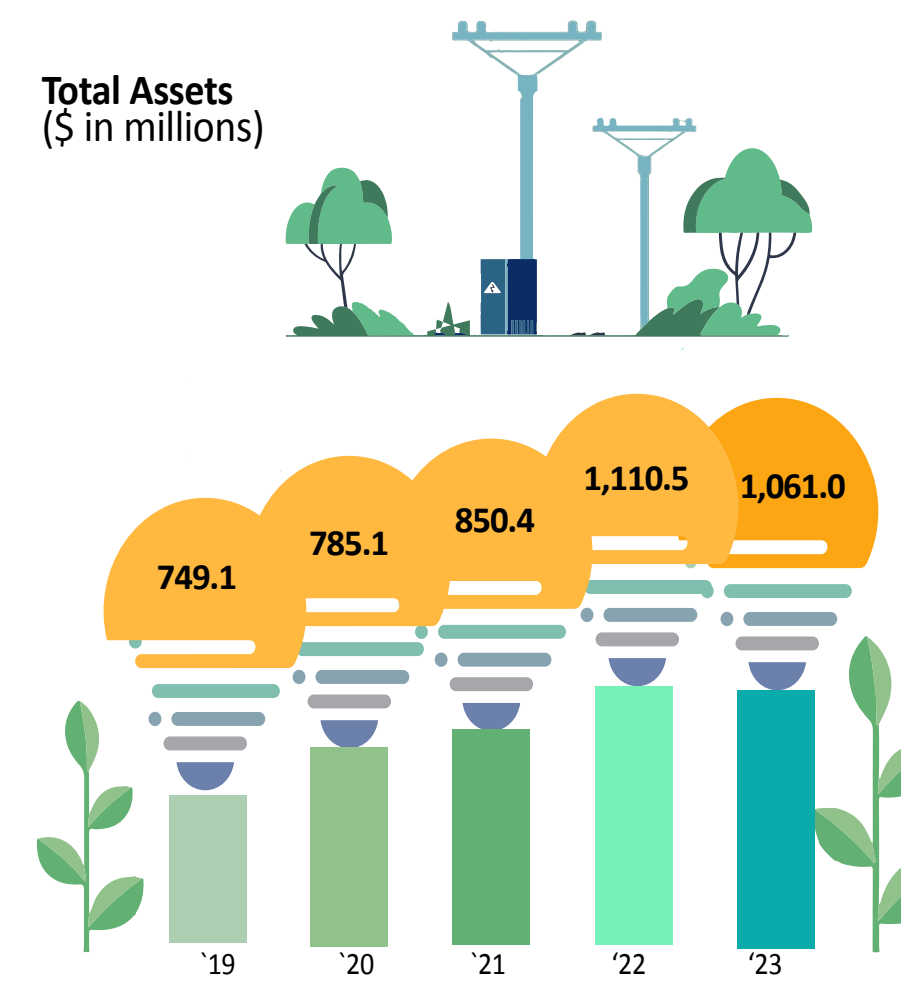
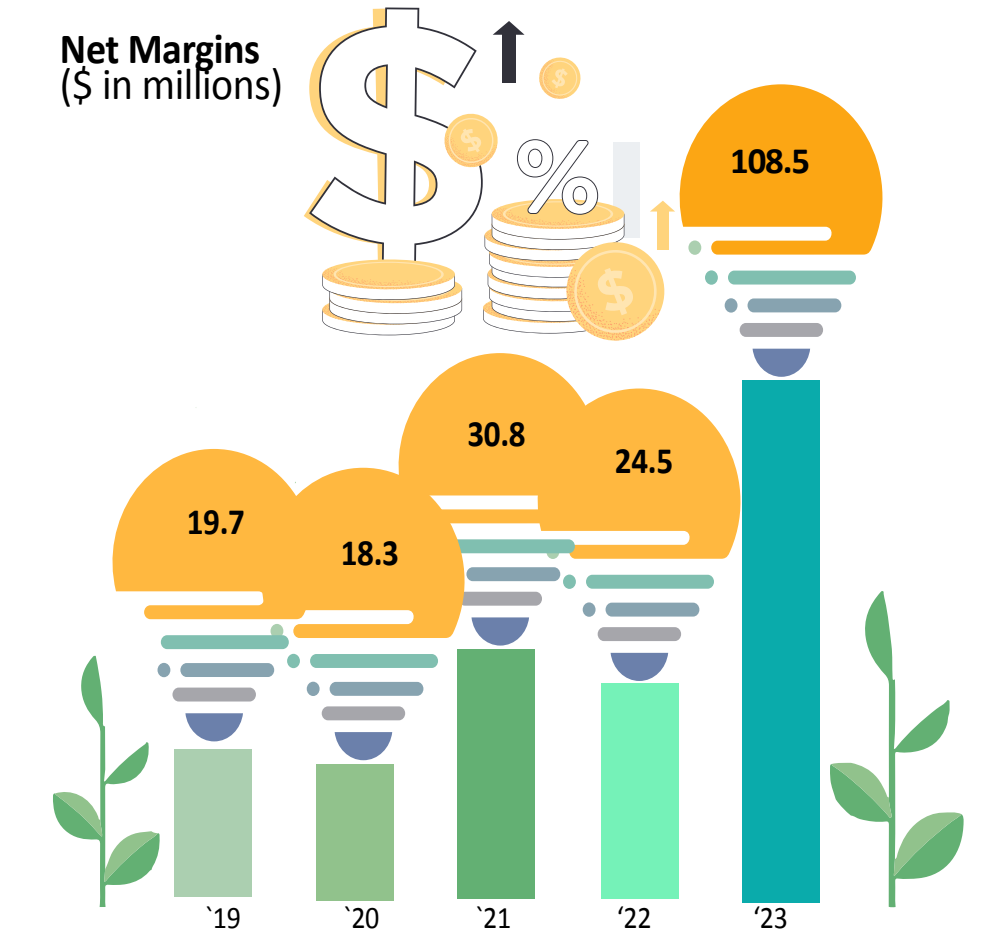
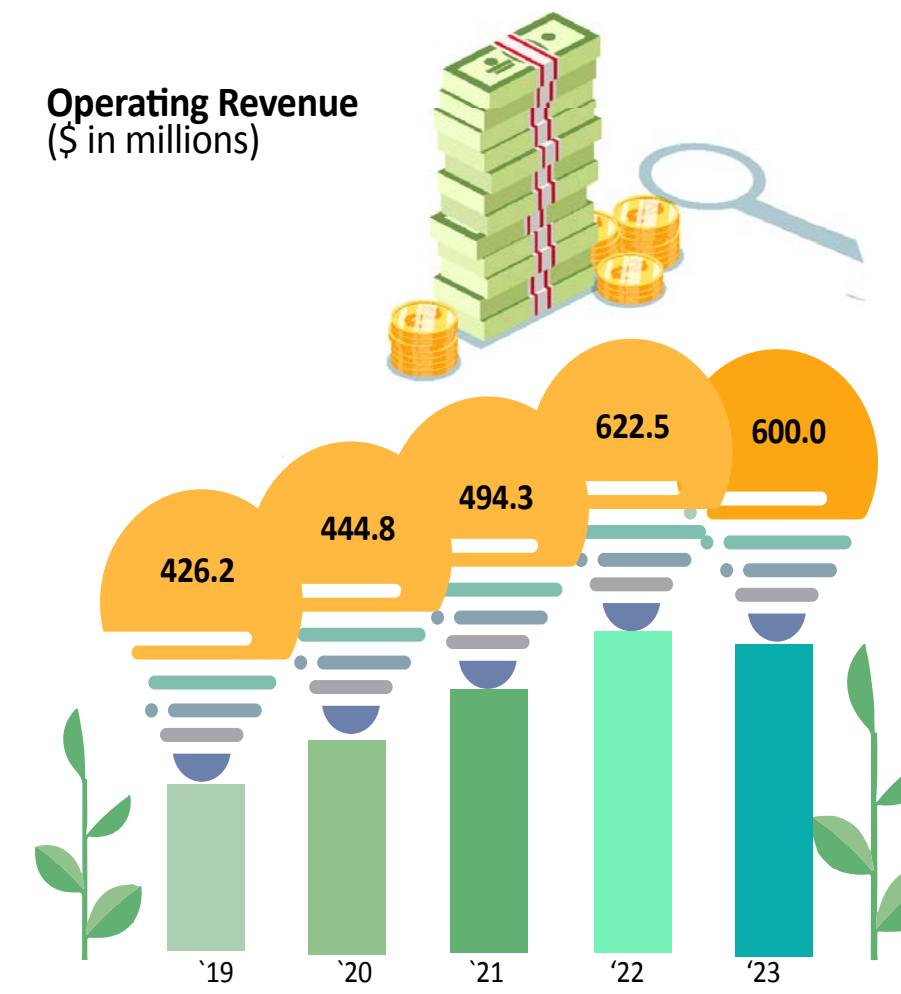
Construction & Maintenance (Contractors)

MATT VALENTINE

Customer Care Center

FINANCIAL HIGHLIGHTS

	2023	2022
Operating Revenue	\$ 600,071,933	\$ 622,469,041
Operating Expense	\$ 474,815,607	\$ 583,633,439
Interest Expense	\$ 22,808,344	\$ 17,669,857
Net Margins	\$ 108,499,803	\$ 24,543,124
Net Plant	\$ 843,184,138	\$ 859,246,669
Total Assets	\$ 1,061,061,386	\$ 1,110,507,384
Total Customers	246,484	237,333
kWh Purchased	4,649,938,133	4,498,742,748
kWh Sold	4,580,244,296	4,419,070,926
Miles of Energized Line	9,008	8,853
Avg Monthly Residential kWh Used	1,254	1,226
Equity Retirement	\$ 5,170,978	\$ 13,104,736
Capital Expenditures	\$ 181,687,010	\$ 63,707,174
Customers per Employee	565	608



CORPORATE INFORMATION

Corporate Headquarters
North Fort Myers, FL 33917
(239) 656-2300
1-800-599-2356

Customer Care Center 239-656-2300 800-599-2356 Monday-Friday 8 a.m. – 5 p.m.	Immokalee Payment Center 433 North 15th St. Immokalee, FL 34142-3445 Monday-Friday 8 a.m. – 4:30 p.m.
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Mail a Payment
Post Office Box 31477
Tampa, FL 33631-3477

General Counsel
Henderson, Franklin, Starnes & Holt
Post Office Box 280
Fort Myers, FL 33902

Independent Auditors
McNair, McLemore, Middlebrooks & Co., LLP

www.lcec.net

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@lcecswfl

Appreciate LCEC utility workers? Want to show support?
Follow LCEC on Facebook, Twitter, Instagram, and LinkedIn for behind-the-scenes action, latest updates, and energy tips!



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