

### THE PATH FORWARD

Big Rivers is committed to "The Path Forward" for safe, reliable energy, guided by six decades of service to our Member-Owners and a vision to become one of the nation's leading generation and transmission cooperatives.

Margins for Interest Ratio (MFIR)

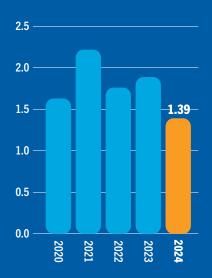
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Times Interest Earned Ratio (TIER)



Debt Service Coverage Ratio (DSCR)



**Net Margin** (dollars in millions)



**Equity** (dollars in millions)



**Electric Energy Revenue** (dollars in millions)



Cash, Cash Equivalents & Short-Term Investments







#### **MISSION**

Big Rivers will safely deliver competitive and reliable wholesale power and cost-effective shared services desired by our Member-Owners.

#### VISION

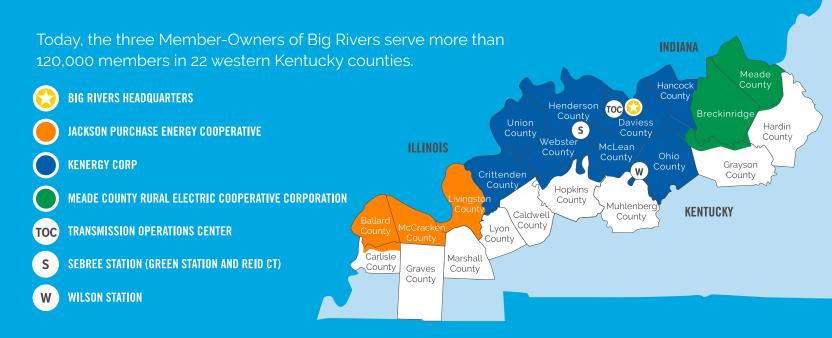
Big Rivers will be viewed as one of the top G&Ts in the country and will provide services the Members desire in meeting future challenges. Big Rivers Electric Corporation is a member-owned, not-for-profit, generation and transmission cooperative (G&T).

We provide wholesale electric power and shared services to three distribution cooperative Member-Owners across 22 counties in western Kentucky. The Member-Owners are Jackson Purchase Energy Cooperative, headquartered in Paducah; Kenergy Corp, headquartered in Henderson; and Meade County Rural Electric Cooperative Corporation, headquartered in Brandenburg. Together, the Member-Owners distribute retail electric power to more than 120,000 homes, farms, businesses, and industries.

Incorporated in June of 1961, the mission of Big Rivers is to safely deliver competitive and reliable wholesale power and cost-effective shared services desired by the Member-Owners. Business operations revolve around seven core values: safety, excellence, teamwork, integrity, Member and community service, respect for the employee, and environmental consciousness. Big Rivers owns and operates 936 MW of generating capacity from three power stations: Robert D. Green (454 MW), Robert A. Reid CT (65

MW), and D.B. Wilson (417 MW). The total power capacity is 1,114 MW, including contracted capacity from the Southeastern Power Administration (SEPA). High-voltage electric power is delivered to the Member-Owners over a system of 1,353 miles of transmission lines and 29 substations owned by Big Rivers. Twenty-eight transmission interconnections link our system with several surrounding utilities.

Big Rivers is led by an experienced management team and is governed by a six-member board of directors. The board is comprised of two representatives from each Member-Owner. Big Rivers employs approximately 300 people at four locations in Kentucky, who actively contribute to the communities our Member-Owners serve. Continually focused on the needs and local priorities of our Member-Owners, Big Rivers provides shared services in areas such as information technology, safety programs and training, and economic development. Big Rivers and the Member-Owners pledge to serve western Kentucky with integrity, accountability, innovation, and a commitment to community. Our priority has always been to keep the cost of electricity affordable and the reliability of service high.



## CEO AND BOARD CHAIR LETTER



More than sixty years ago, a group of western Kentucky electric cooperatives faced a crossroads. These cooperatives had been some of the first to bring electricity to the region's rural communities. As their electrical service territories and Member counts grew, so did the need for a local, long-term power source. In 1961, they banded together to establish a cooperative power company of their own. Big Rivers Electric Corporation would operate as a generation and transmission (G&T) cooperative, providing at-cost electricity produced in western Kentucky and dedicated services to help the Member-Owner cooperatives succeed.

Communities and technology rapidly evolved in the coming decades, with both challenges and advancements testing the original 1961 mission. Some smaller Member-Owner cooperatives would unite, and another cooperative would join the founding group for energy service. Big Rivers would expand from a single power plant to multiple locations and a transmission service territory crossing 22 counties. Today, Big Rivers is committed to safely delivering reliable and affordable power to three Member-Owner cooperatives —Jackson Purchase Energy Cooperative, Kenergy Corp, and Meade County Rural Electric Cooperative Corporation.

This year will go on record as a time of solid progress and an opportunity to realign near-term and long-term goals. Big Rivers is now a full year into a new CEO and the setting of seven strategic priorities. With a leadership team now firmly in place, Big Rivers is renewing its focus on service to the Member-Owners and the future of our cooperative power partnership. Plans are underway to build on the company's history of reliable electricity with early research into future generation options and potential investments in large-scale transmission projects. Big Rivers employees are also settling into a second year at the new Headquarters facility in downtown Owensboro. Nearby, the construction of a new Transmission Operations Center in Owensboro is nearing 85% completion. Every action in 2024 was driven by one question: what does the future hold for Big Rivers and its Member-Owners?

Safety is the foundation for Big Rivers and its priorities for the future. The company and several locations continued to achieve new safety milestones and win statewide recognition. Big Rivers earned its ninth consecutive Kentucky Employers' Mutual Insurance (KEMI) Destiny Award and added Governor's Safety and Health Awards at Headquarters and Wilson Station in 2024. While we



Big Rivers earned its ninth consecutive Kentucky Employers' Mutual Insurance Destiny Award. proudly hold the most Governor's Safety and Health awards for any Kentucky entity, workplace safety goes beyond awards and recognition. This year, the Safety department reevaluated work practices, aligned prejob safety briefings across locations, and brought in new training needed by Big Rivers employees and the Member-Owners. The goal for 2024 was to keep yourself and your work family safe—each moment, every day. New safety records will follow when every employee shows up to work with this mindset.

Big Rivers achieved solid financial results in 2024 and maintained investment-grade credit ratings with stable outlooks from the three credit agencies. Net margins exceeded \$19 million in 2024 (pre-TIER credit), with \$2.8 million set aside for 2025 Member bill credits. Financial success allows Big Rivers to drive down costs for Members and improve reliable operations. Future budget forecasts hold some challenges, with a major plant outage scheduled for 2026 and uncertainty surrounding the nation's power sources. A renewed dedication to financial strength and rate management and a stronger emphasis on compliance will be key in the coming years. From energy marketing to environmental regulations, compliance affects actions across many departments and locations. Big Rivers desires to lead with trust, transparency, and integrity, understanding that compliance is mandatory in every job.



Net margins exceeded \$19 million in 2024 (pre-TIER credit) with \$2.8 million set aside for 2025 Member bill credits.

Generation is one area targeted for development in the next five to ten years. Big Rivers' dispatchable power plants play a critical role in

providing 24-hour electricity to the Member-Owners and stabilizing the greater power grid. As concerns surrounding the nation's energy supply grow, Big Rivers is committed to an "all of the above" sustainability strategy that harnesses the benefits of each generation source to maintain reliability. Additionally, this strategy seeks to preserve Big Rivers' valuable coal-fired and gas-fired power plants while diversifying future equipment and fuel sources. In 2024, Big Rivers set sights on future generation needs and began the process of reviewing longterm resource options. Future projects could also help incorporate new types of infrastructure or technology into the Big Rivers fleet.

Transmission continues to be a point of excellence for Big Rivers, with innovative engineering technology and construction projects improving a stellar reliability record. Systemwide, Big Rivers finished the year with a System Average Interruption Duration Index (SAIDI) score of .004, equating to less than one second of average outage time for all Member-Owners. In 2024, Right-of-Way launched a satellite program that remotely monitors damaged vegetation threatening transmission lines. Big Rivers also completed its first solar generation interconnection to Unbridled Solar, with the Engineering department finishing a five-year effort to design and manage the construction of the 161 kV infrastructure needed to bring the 160 MW solar facility online. The opening of the state-of-the-art Transmission Operations Center in 2025 will further advance Big Rivers' severe weather resiliency and response capabilities.

People are the most valuable resource at Big Rivers, and we want to build a servant-leader culture that prepares employees for the future. In 2024, Big Rivers negotiated a five-year labor agreement with IBEW 1701. While this agreement may be an outlier for the industry and the company, a long-term contract delivers greater stability for both employees and operations. Big Rivers also introduced new training and education efforts to expand employee skillsets and develop talent into leaders. In addition to providing employee programs, the company invested in improving Member-Owner services and community development in 2024. Big Rivers added a new position to expand assistance to the Member-Owners and provide additional resources to help manage the increasing economic development interest in western Kentucky.

The Big Rivers of 2024 is facing its own crossroads. While we hold tight to the core values established in 1961, the options for the next five years and fifty years are abundant. Big Rivers is taking bold steps to advance generation and transmission projects that will improve service both now and in the future. We are investing in people and programs that strengthen our Member-Owners and responsibly manage costs for those we serve. Big Rivers is committed to "The Path Forward" for safe, reliable energy, guided by six decades of service to our Member-Owners and a vision to become one of the nation's leading generation and transmission cooperatives.

Bonald of Gulley

Don Gulley

President & CEO

Wayne Elliott

Chair, Board of Directors

## SAFETY SERVES AS THE FOUNDATION FOR EVERYTHING WE DO AT BIG RIVERS.

The success of Big Rivers' safety program relies on consistent buy-in from the company's most valuable resource—the employees. The history of Big Rivers pre-dates the formation of formal safety agencies and regulations. As safety in the workplace gained traction, Big Rivers sought to build a partnership with union employees. Decades later, Big Rivers still stresses the importance of safety for every employee and every job.

In 2024, Big Rivers built on an impressive safety record with several new milestones and award recognitions. Two locations, Headquarters and Wilson Station, earned Governor's Safety and Health awards in 2024, raising the company total to 60. Big Rivers also received its ninth consecutive Kentucky Employers' Mutual Insurance (KEMI) Destiny Award, which recognizes organizations with robust internal safety programs and low experience modification ratings.

While Big Rivers takes great pride in these achievements, safety success extends beyond awards and accolades. Employees must prioritize safety for themselves and their coworkers—each moment, every day. Big Rivers' safety accomplishments will continue to grow when every person puts this motto and mindset first.

The Big Rivers Safety department took on several projects to review and enhance programs in 2024. Big Rivers participated in the Rural Electric Safety Achievement Program (RESAP) at all locations, which is a multi-week safety audit performed by national and statewide cooperative employees. The department updated the pre-job safety briefing process to improve consistency across locations and better allow employees to identify hazards and controls before work begins. Big Rivers' safety efforts include initiatives aimed at benefiting the Member-Owners and the community. In 2024, Big Rivers

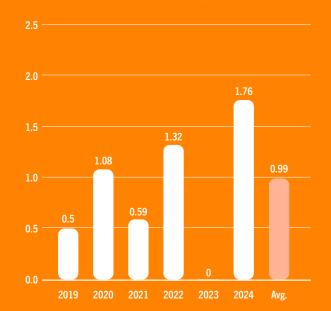
created a training site at Wilson Station, collaborating with Kentucky Electric Cooperatives (KEC) to host a right-of-way clearing workshop for distribution linemen and employees who deal with tree hazards. Additionally, the Safety department works with Member-Owner cooperatives to offer high-voltage safety demonstrations for schools, industries, and first responders seeking to learn more about electricity-related dangers.



Big Rivers received its ninth consecutive Kentucky Employers' Mutual Insurance (KEMI) Destiny Award in 2024. The KEMI Destiny Award is given to Kentucky companies with the lowest experience modification rates in the state.

#### **Recordable Incident Rate**

(Incident Rate = # of incidents X 200.000/# of hours worked



#### **Lost-Time Incident Rate**

(Incident Rate = # of incidents X 200.000/# of hours worked)





### **SAFETY MILESTONES**

## **71**S1

Wilson Station employees earned the location's 21<sup>st</sup> Governor's Safety and Health Award by achieving 1,750,000 hours worked without a lost-time incident in 2024.

## gth

Headquarters employees earned the location's ninth Governor's Safety and Health Award by achieving 2,500,000 hours worked without a lost-time incident in 2024.

## 60

Big Rivers holds 60 Governor's Safety and Health Awards, more awards than any other entity in Kentucky.

## 14

Transmission employees completed 14 years without a lost-time incident in 2024

## 8 YEARS

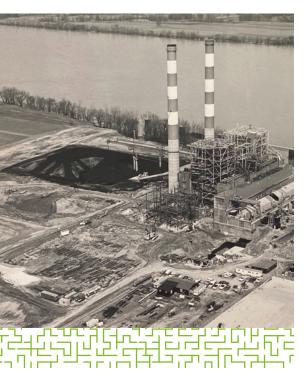
Headquarters
employees
completed eight
years without a
recordable incident
and 13 years
without a lost-time
incident in 2024.

## 2 YEARS

Green Station employees completed two years without a recordable incident and two years without a lost-time incident in 2024.



# BUILDING ON FINANCIAL STABILITY AND PROMOTING A CULTURE OF COMPLIANCE





Big Rivers finished 2024 with strong financial results and maintained investment-grade ratings with stable outlooks from its three credit agencies. Financial stability and strength became a key focus in 2024 as leadership aimed to implement new policies and strategies that would promote sustained growth and operational flexibility. Big Rivers sought to balance its financial success with strategic rate management, ensuring affordability for Member-Owners while generating sufficient revenue to support infrastructure investments. With the new budgetary goals in mind, Big Rivers finished 2024 with strong financial results and maintained investmentgrade ratings with stable outlooks from its three credit agencies. Big Rivers also achieved net margins exceeding \$19 million in 2024 (pre-TIER credit), with \$2.8 million designated for Member bill credits in 2025.

This year's financial success opened up valuable opportunities to reduce costs and invest in future projects for plant and transmission improvements. However, some upcoming budget years may present tighter margins, particularly as Big Rivers plans a significant turbine outage at Wilson Station in 2026. Additionally, utilities across the nation are facing uncertainty regarding the future of traditional power plants and potential government regulations. Big Rivers aims to prepare for these upcoming challenges and to

build a robust portfolio for the decades to come. In 2024, the Budgeting department implemented EnCompass Power Market Simulation software, which allows Big Rivers to save about \$50,000 a year and better collaborate on future Integrated Resource Plans to find the optimal generation mix for the Member-Owners.

Big Rivers made significant strides to improve compliance and enterprise risk management. Compliance is crucial no matter the position or department, and Big Rivers seeks to be a leader in trust, transparency, and integrity. The Internal Risk Management Committee actively engaged in discussions and the implementation of new board and company policies to achieve this goal. Additionally, various teams within Big Rivers collaborated to develop new compliance policies and training programs. These efforts focus on supply chain and procurement processes, central document storage, the use of artificial intelligence, the customer bill of rights, conflict of interest avoidance, and the prevention of market manipulation. The board adopted a new nepotism policy to ensure that employees are hired and promoted on merit and avoid the appearance of favoritism.

<b>CREDIT</b>	RATING

FITCH	MOODY'S	S&I

BBB Baa2 Stable Stable **BBB** Stable

## PROTECTING RELIABLE ENERGY GENERATION AND PREPARING FOR FUTURE RESOURCES

Big Rivers stands at a crucial turning point in its energy generation strategy, seeking to build the resources needed for the future while also protecting the valuable plants currently in operation. Dispatchable resources, including Big Rivers' coal-fired Wilson Station and gas-fired Sebree Station, provide reliable, round-the-clock electricity for the Member-Owners and help stabilize the broader power grid. In 2024, Wilson Station implemented a new work management process to prioritize operations and facilitated upgrades to the plant's coal handling and ball mill feed and other critical systems. Meanwhile, Sebree Station made progress by demolishing the Reid Station boiler in early 2024 and completing the closure of two ash ponds. As the Sebree Station site is cleared of past power generation activities, Big Rivers is focusing on a more diverse future.

In 2024, Big Rivers turned its focus to the next generation source. The company is currently evaluating diverse generation options and reviewing the needs of the Members in our long-term resource plan. Big Rivers also negotiated new resource contracts for the current power plants, including two coal supply agreements and a five-year limestone supply agreement.

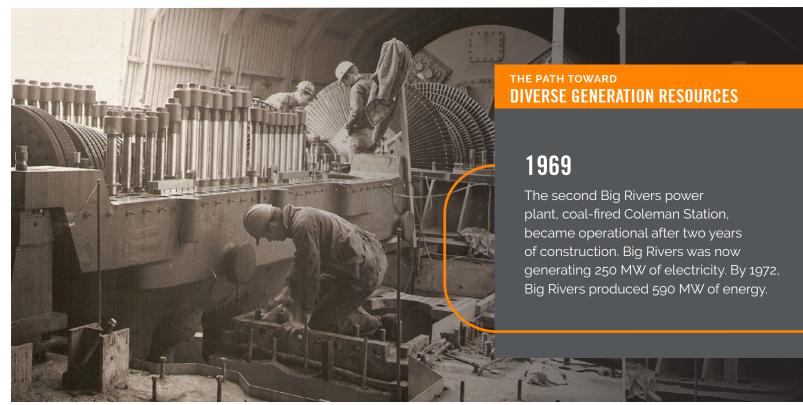
Big Rivers remains committed to an "all of the above" sustainability goal that utilizes the benefits of each generation source. In 2024, Big Rivers' power portfolio expanded with significant solar generation due to the completion of the 160 MW Unbridled Solar project in Henderson and Webster Counties. Big Rivers holds a long-term Power Purchase Agreement (PPA) with the Unbridled facility to take 100% of the energy, capacity, and renewable energy credits. The expansive, 1,500-



Big Rivers remains committed to an "all of the above" sustainability goal that utilizes the benefits of each generation source.

acre solar site started producing electricity in October and continued the ramp-up process through the end of 2024. Purchasing power from this large-scale solar project allows Big Rivers to round out a diverse portfolio offering coal, gas, hydro, and solar generation. The solar power generated at Unbridled will help provide reliable, cost-effective, and sustainable energy for the Members and enable Big Rivers to offer green energy options that can attract industries to Kentucky.

Additionally, Big Rivers started receiving Renewable Energy Credits (RECs) from our purchase power agreement with the Southeastern



Power Administration (SEPA) for their hydropower facilities located in Tennessee and Kentucky. These credits are a market-based instrument that grants Big Rivers the rights to environmental and other non-power attributes associated with renewable generation. There is a marketplace for buying and selling Renewable Energy Credits, and Big Rivers intends to sell these credits to generate value for the Members.

Lawmakers are also recognizing
Kentucky's future need for reliable
power generation, with 2024 legislation
creating new agencies to support
energy development. In 2024, Big
Rivers CEO Don Gulley joined the new
Kentucky Nuclear Energy Development
Authority as a representative for

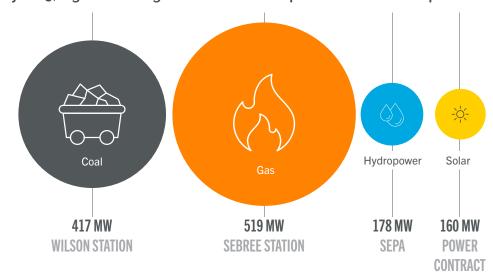
G&T cooperatives, and CFO Talina Mathews joined the Energy Planning and Inventory Commission tasked with ensuring Kentucky has ample supplies of reliable electricity.

## **160MW** SOLAR ENERGY

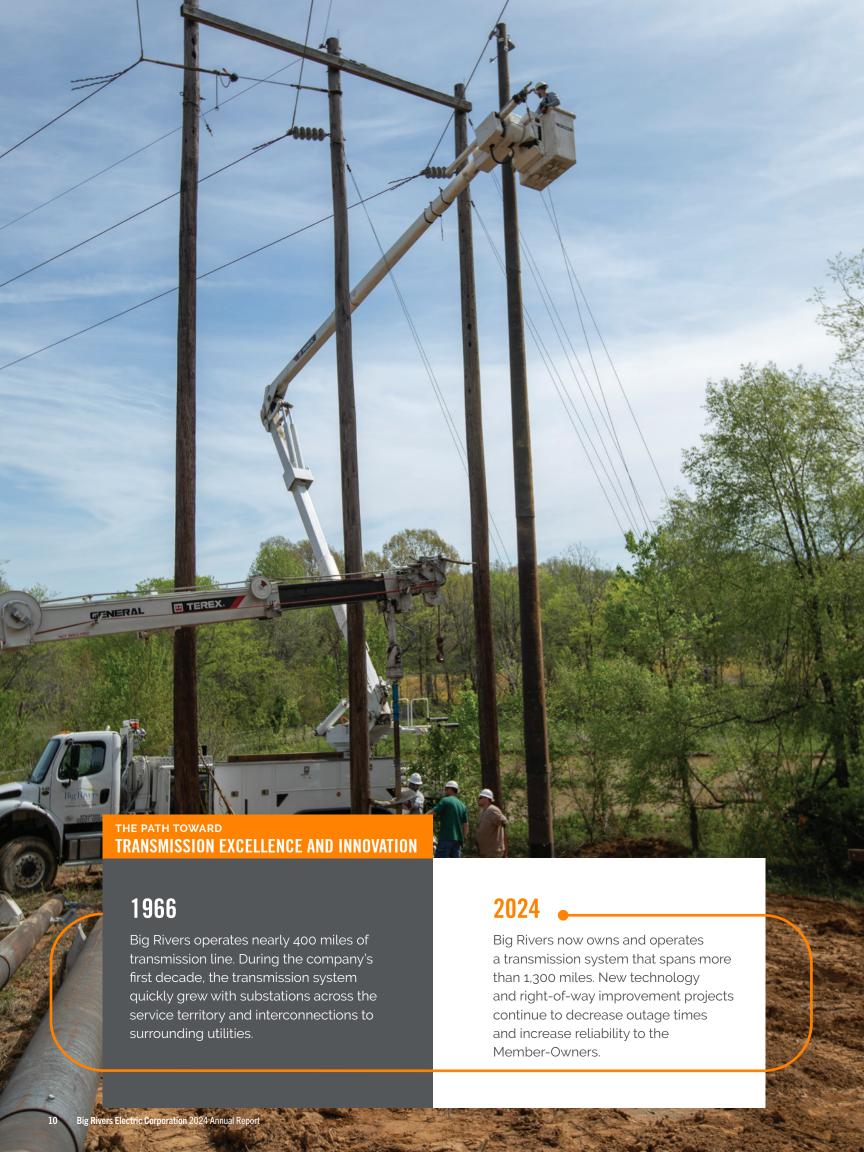


Big Rivers has a long-term Power Purchase Agreement (PPA) with the Unbridled Solar Farm, which was completed in late 2024, and will take 100% of the energy, capacity, and renewable credits.

#### By 2025, Big Rivers will generate and access power from a diverse portfolio:











successfully managed the construction of 161 kV facilities to connect the Unbridled Solar facility with a nearby substation.

#### **EXCELLENCE AND INNOVATION**

Big Rivers seeks to be a leader in transmission by building on a strong record of innovation and reliability excellence. In 2024, Big Rivers continued to implement new technology to reduce outage time and prepare the system for future developments. Big Rivers finished the year with a System Average Interruption Duration Index (SAIDI) score of .004, equating to less than one second of average outage time for all Member-Owners. In addition, the SAIDI score for the Jackson Purchase Energy and Meade County RECC regions remained at zero outage minutes for 2024.

The Big Rivers transmission system stretches more than 1,300 miles. Maintaining the dense vegetation landscape of this vast right-of-way is a year-round challenge. Still, Big Rivers' success in reliability follows the adaptation of new programs to protect equipment and prevent outages. In 2024, Big Rivers launched remote vegetation inspection through a satellite program, called AiDash. This program aids right-of-way crews in identifying trees damaged by the Emerald Ash Borer. Additionally, Big Rivers continues to explore new techniques for tree removal, including testing an aerial grapple saw, which could save time and improve safety.

Big Rivers is preparing the service territory and Midwest for growth. Work on the new Transmission Operations Center in Owensboro reached 80% completion in 2024. This state-ofthe-art facility will feature a stormresistant control room and amenities to improve response capabilities during weather-related outages. Big Rivers also participated in the 2024 Midcontinent Independent System Operator (MISO) initial outreach for Kentucky and encouraged MISO to reconsider infrastructure projects in the south-central region. Recently, MISO approved the Tranche 2.1 Long-Range Transmission Plan, which includes planned construction of the Reid EHV to Culley (CenterPoint) 345 kV circuit. This project will alleviate transmission congestion in Western Kentucky and increase grid reliability, particularly in the area surrounding Henderson and Sebree. Additionally, the Big Rivers Engineering department has been instrumental in preparing to receive electricity generated from the 160 MW Unbridled Solar project. This project marks Big Rivers' first solar generation interconnection initiative. Over the past five years, the department has successfully managed the construction of 161 kV facilities to connect the Unbridled Solar facility with a nearby substation.

2024 System Average Interruption Duration		
Index (SAIDI)	Results	Goals
Jackson Purchase	0.000	7.960
Kenergy	0.008	7.160
Meade County	0.000	8.160
System Average	0.004	7.610

## RESPECT FOR THE EMPLOYEES AND CONCERN FOR THE COMMUNITY

The future of Big Rivers relies on people prepared to tackle tomorrow's challenges. Each day, our employees apply their knowledge and skills in offices, at power plants, and in the field. Big Rivers aims to foster a culture rooted in integrity and mutual respect, where employees take pride in their work and continuously seek new ways to improve.

Big Rivers and IBEW 1701 negotiated a new long-term generation labor agreement in 2024, providing greater stability for the company and employees. When the two weeks of negotiations started, both sides came to the table with the goal of respectful interactions and doing the right thing for employees. The five-year contract runs through 2029 and helps align benefits across labor groups within the company. Additionally, Big Rivers launched new software in 2024 to manage payroll and Human Resource benefits for all employees. The switch

to UKG removed manual payroll processes and improved the employee experience with more self-service tools and a mobile app to access information from anywhere.

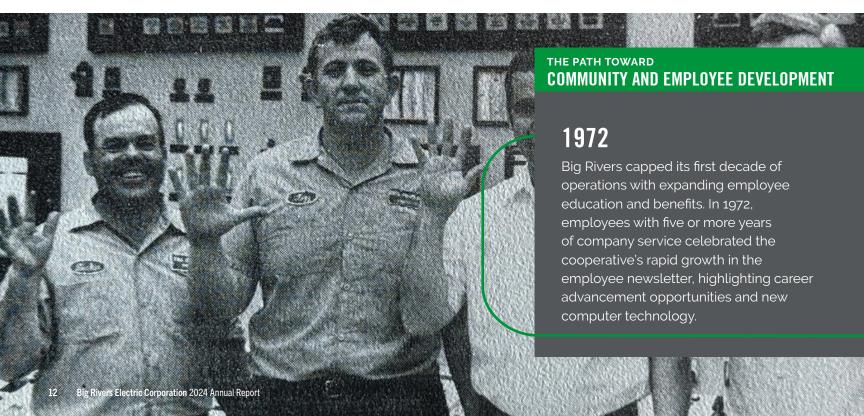
Big Rivers is committed to investing in the future of our employees by offering customized professional development opportunities that address training gaps and prepare individuals for success. In 2024, Big Rivers equipped employees for advancement through a nine-month Supervisor Training Program and specialized courses such as a sixmonth class focused on professional speaking and presentation skills. Big Rivers' professional development programs also bring employees from the entire cooperative system together to learn and network through the Cooperative Leadership Program and Annual Leadership Forum.

We are proud of our people and want to be partners in their community



In 2024, Big Rivers employees hosted United Way pledge drives at each location, raising more than \$102,000. The United Way of the Ohio Valley selected Big Rivers for the Community Partnership Award at the chapter's 75<sup>th</sup> anniversary celebration.

improvement efforts. Giving back to the community is one of the foundational principles for cooperatives, and our generous employees are quick to donate and volunteer their time. Big Rivers and Kenergy employees received statewide finalist recognition for the 2024 Beautify the Bluegrass project to benefit a new Habitat for Humanity training center in Owensboro. Employees also visited the Daviess County Animal Shelter to help with weekly dog walking in October and participated in other quarterly volunteer projects. Additionally, Big Rivers financially supports charities and community development agencies across the 22-county service territory.







## **NEW STRATEGIES AND NEW FACILITIES** FOR FUTURE OPERATIONS

More than sixty years ago, Big Rivers set out to produce the safe, cost-effective, and reliable electricity needed by the Member-Owner cooperatives. The founders could only imagine what the future would hold for the new generation and transmission (G&T) cooperative. Big Rivers would grow in locations, face operational setbacks, and overcome financial challenges. The economy of western Kentucky has evolved, leading the company to establish a new headquarters in Owensboro. Today, Big Rivers remains committed to the original mission while once again looking ahead to an unknown future. What will the landscape of cooperative power generation and transmission look like in the next sixty years?

This year presented an opportunity to develop strategies and move a new leadership team into place. In 2024, Big Rivers established a new strategic plan, founded on safety and guided by seven key priorities - rate management, financial strength, Member services and economic development, operational excellence, enterprise risk management, people and culture, and a risk-managed

portfolio. The experiences gained in 2024 will help determine the short-term objectives set by each department in 2025. Throughout the strategic plan process, one critical theme emerged: Big Rivers desired to refocus on the Member-Owner cooperatives and develop resources that benefit the cooperative system as a whole. To support this goal, the company appointed a Vice President of Member Services and Economic Development in 2024 to identify opportunities for collaboration and cost savings among the cooperatives.

Additionally, Big Rivers expanded support for economic development and industrial service. Kentucky remains a prime location for businesses looking to build new facilities or grow, and Big Rivers wants to position the Member-Owners cooperatives to build on recent economic development successes. Service territory projects in recent years include the \$700 million Pratt Paper facility in Henderson, the \$1.7 billion Nucor steel mill in Brandenburg, and the \$100 million Block Mining, Inc. in Paducah. Together, these industries have brought nearly 750 new jobs to western Kentucky.

Big Rivers is preparing our facilities and our employees for the future. Construction on the new Transmission Operations Center continued through 2024, with the 100,000-square-foot facility scheduled for opening in 2025. This new facility will be the second Big Rivers location in Owensboro and bring together employees from Engineering, Transmission, and Information Technology in one innovative building. The Transmission Operations Center will improve reliability and response times through features such as a severe weather-resistant control room, a 23,000-square-foot warehouse, heated storage area for vehicles, and dedicated space for training.

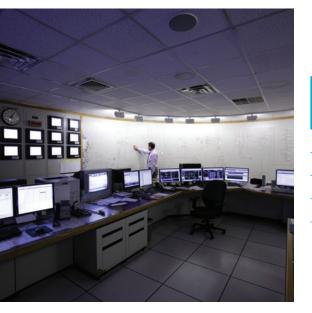


new jobs were brought

to western Kentucky with the opening of new industrial facilities

square-foot Transmission

**Operations Center is** scheduled to open in 2025



BREC Service Territory							
	2020	2021	2022	2023	2024		
RFI's	14	73	71	48	39		
Capital Investment	\$2B	\$29.1B	\$38.5B	\$45.1B	\$16.5B		
Jobs	2,150	26,123	41,697	27,705	6,409		
MW's	563	4,657	5,214	6,110	2,913		

As of December 31, 2024 and the Four Preceding Years Unaudited (Dollars in Thousands)  $\,$ 

SUMMARY OF OPERATIONS	_	2024	_	2023	_	2022	_	2021	_	2020
Operating Revenue:	ı		ı		ı		ı			
Electric Energy Revenue	\$	412,807	\$	376,497	\$	468,065	\$	368,650	\$	314,390
Other Operating Revenue and Income		20,777		18,703		22,283		24,494		14,318
Total Operating Revenue		433,584		395,200		490,348		393,144		328,708
Operating Expenses:										
Fuel for Electric Generation		88,183		75,899		125,354		130,019		83,939
Power Purchased		111,253		84,132		131,733		37,436		35,756
Operations (Excluding Fuel), Maintenance and Other		116,425		105,995		108,620		113,762		114,605
Depreciation		73,533		87,142		72,465		172,136		54,630
Total Operating Expenses		389,394		353,168		438,172		453,353		288,930
ntorest Evnense and Other										
nterest Expense and Other: nterest		37,622		36,289		41,267		28,575		33,393
ncome Tax Expense/(Benefit)		-		3-,3		-		13/3		(448)
Other-Net		1,264		644		592		684		830
Total Interest Expense and Other		38,886				41,859				
•		_		36,933				29,259		33,775
Operating Margin		5.304		5,099		10,317		(89,468)		6,003
Non-Operating Margin		7,044		6,793	<b>.</b>	3,710	<b>.</b>	14,072		4,192
Net Margin (Loss)		12,348		11,892	\$	14,027	\$	(75,396)		\$10,195
SUMMARY OF BALANCE SHEET	ı		ı		ı		ı		ı	
Total Utility Plant	\$	2,235,130	\$	2,112,076		\$2,061,715	\$	2,059,963	\$	1,888,955
Accumulated Depreciation		1,141,238		1,094,315		1,095,847		1,151,975		1,102,333
Net Utility Plant <sup>1</sup>		1,093,892		1,017,761		965,868		907,988		786,622
Cash and Cash Equivalents		66,721		23,541		50,027		29,913		20,400
Restricted Cash-Construction Funds Trustee		-		-		-		-		353
Short-Term Investments		3,228		78,061		5,420		352		6,603
Reserve Account Investments <sup>2</sup>		-		-		-		-		666
Other Assets		489,747		535,244		568,412		486,772		543,591
Total Assets	\$	1,653,588	\$	1,654,607	\$	1,589,727	\$	1,425,025	\$	1,358,235
Equities:		\$497,121		\$485,381		\$475,667		\$460,226	\$	531,539
Long-Term Debt <sup>3</sup>		964,441		1,014,328		894,149		697,294		696,742
_		904,441		1,014,320						090,742
Line of Credit		-		-		25,000		60,000		-
Regulatory Liabilities — Member Rate Mitigation and TIER Credit		19,355		37,152		38,277		53,543		33,334
Asset Retirement Obligations		85,456		43,520		69,267		72,760		40,410
Other Liabilities and Deferred Credits		87,215		74,226		87,367		81,202		56,210
Total Liabilities and Equity	\$	1,653,588	\$	1,654,607	\$	1,589,727	\$	1,425,025	\$	1,358,235
, ,										
ENERGY SALES (MWh)  Member Rural	I	2470 500	I	2,098,136	ı	2,268,701	l	2 240 400	l	2,164,85
		2,179,588						2,219,103		
Member Large Industrial		1,811,085		1,350,614		919,426		781,628		824,68
Other  Fotal Energy Sales (MWh)		2,038,761 6,029,434		1,837,685 5,286,435		2,329,312 5,517,439		3,571,299 6,572,030		1,898,0
		377 37131		3, 11,100		0.0 77100		1,0,		11-170
SOURCES OF ENERGY (MWh)	ı		ı		ı		ı		ı	
Generated		3,195,863		3,047,509		3,121,412		5,443,411		3,440,864
Purchased		2,886,513		2,287,089		2,481,549		1,214,634		1,520,984
Losses and Net Interchange		(52,942)		(48,163)		(85,522)		(86,015)		(74,282)
Total Energy Available (MWh)		6,029,434		5,286,435		5,517,439		6,572,030		4,887,566
NET CAPACITY (MW)										
Net Generating Capacity Owned <sup>4</sup>		936		936		936		936		936
Rights to HMP&L Station Two		-		-		-		-		-
Other Net Capacity Available		178		178		178		178		178
Total Net Capacity (MW)		1,114		1,114		1,114		1,114		1,114
DEBT RATIOS										
Margins for Interest Ratio (MFIR)		1.30		1.30		1.30		1.30		1.30
_										_
Γimes Interest Earned Ratio (TIER)⁵		1.30		1.30		1.30		(1.41)		1.30

¹Includes intangible plant. ²Includes investment income receivable. ³Includes current maturities of long-term obligations. ⁴The reduction in Big Rivers' net generating capacity owned is due to the retirement of Reid Station Unit 1 and the units at Coleman Station as of September 30, 2020. ⁵The negative TIER in 2021 is due to the voluntary one-time usage of equity to reduce regulatory assets.



**Financial Statements** 

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)



KPMG LLP Suite 2400 400 West Market Street Louisville, KY 40202

#### **Independent Auditors' Report**

The Board of Directors and Members Big Rivers Electric Corporation:

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Big Rivers Electric Corporation, which comprise the balance sheets as of December 31, 2024 and 2023, and related statements of operations, comprehensive income (loss), equities, and cash flows for each of the years in the two-year period ended December 31, 2024, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Big Rivers Electric Corporation, as of December 31, 2024 and 2023, and the results of operations, and cash flows thereof for each of the years in the two-year period ended December 31, 2024 in accordance with U.S. generally accepted accounting principles.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big Rivers Electric Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Rivers Electric Corporation's ability to continue as a going concern for one year after the date that financial statements are issued

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a



substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
  appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of
  Big Rivers Electric Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big Rivers Electric Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025 on our consideration of Big Rivers Electric Corporation's internal control over financial reporting and on our testing of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Big Rivers Electric Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big Rivers Electric Corporation's internal control over financial reporting and compliance.



Louisville, Kentucky March 24, 2025

#### Balance Sheets

#### December 31, 2024 and 2023

#### (Dollars in thousands)

Assets		2024	2023
Utility plant – net	\$	1,070,310	995,018
Intangible plant		23,582	22,743
Other deposits and investments		25,191	28,619
Current assets:			
Cash and cash equivalents		66,721	23,541
Short-term investments		3,228	78,061
Accounts receivable		52,605	52,238
Fuel inventory		29,442	41,508
Nonfuel inventory		18,732	16,080
Prepaid expenses and other assets	_	1,955	3,381
Total current assets	_	172,683	214,809
Deferred charges and other assets:			
Regulatory assets		353,405	384,177
Long-term accounts receivable		1,791	2,994
Deferred charges and other	_	6,626	6,247
Total deferred charges and other assets		361,822	393,418
Total	\$ _	1,653,588	1,654,607
Equities and Liabilities			
Capitalization:			
Equities	\$	497,121	485,381
Long-term debt	,	913,705	964,203
Total capitalization		1,410,826	1,449,584
Current liabilities:		_	
Current maturities of long-term obligations		50,736	50,125
Line of credit		, <u> </u>	, <u> </u>
Purchased power payable		14,174	8,155
Accounts payable		32,566	33,825
Accrued expenses		7,296	9,930
Accrued interest		585	2,844
Regulatory liabilities – member rate mitigation	_	2,550	9,479
Total current liabilities	_	107,907	114,358
Deferred credits and other:			
Regulatory liabilities – member rate mitigation		232	862
Regulatory liabilities – TIER credit		16,573	26,811
Asset retirement obligations		85,456	43,520
Deferred credits and other	_	32,594	19,472
Total deferred credits and other		134,855	90,665
Commitments and contingencies (note 12)			
Total	\$	1,653,588	1,654,607

#### Statements of Operations

Years ended December 31, 2024 and 2023

(Dollars in thousands)

, , , , , , , , , , , , , , , , , , ,	2024	2023
Operating revenue	\$ 433,584	395,200
Total operating revenue	433,584	395,200
Operating expenses: Operations:		
Fuel for electric generation	88,183	75,899
Power purchased and interchanged	111,253	84,132
Production, excluding fuel	31,460	30,640
Transmission and other	42,648	40,182
Maintenance	42,317	35,173
Depreciation and amortization	73,533	87,142
Total operating expenses	389,394	353,168
Electric operating margin (loss)	44,190	42,032
Interest expense and other: Interest Income tax benefit	37,622	36,289
Other – net	1,264	644
Total interest expense and other	38,886	36,933
Operating margin (loss)	5,304	5,099
Nonoperating margin:		
Interest income and other	7,044	6,793
Total nonoperating margin	7,044	6,793
Net margin (loss)	12,348	11,892

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023 (Dollars in thousands)

	 2024	2023
Net margin (loss)	\$ 12,348	11,892
Other comprehensive income (loss): Defined-benefit plans:		
Actuarial gain (loss)	(220)	(218)
Amortization of (gain) loss	 232	`410 <sup>´</sup>
Defined-benefit plans	 12	192
Postretirement benefits other than pensions:		
Prior service cost	(886)	(1,559)
Actuarial (gain) loss	506	(385)
Amortization of (gain) loss	 (240)	(426)
Postretirement benefits other than pensions	 (620)	(2,370)
Other comprehensive income (loss)	 (608)	(2,178)
Comprehensive income (loss)	\$ 11,740	9,714

Statements of Equities

Years ended December 31, 2024 and 2023 (Dollars in thousands)

			Other e	quities		
		Retained margin			Accumulated other comprehensive income/(loss)	Total equities
Balance - December 31, 2022	\$	467,571	764	3,681	3,651	475,667
Net margin (loss) Pension and postretirement benefit plans	_	11,892 —			(2,178)	11,892 (2,178)
Balance - December 31, 2023		479,463	764	3,681	1,473	485,381
Net margin (loss) Pension and postretirement benefit plans		12,348 —			(608)	12,348 (608)
Balance - December 31, 2024	\$_	491,811	764	3,681	865	497,121

#### Statements of Cash Flows

Years ended December 31, 2024 and 2023 (Dollars in thousands)

		2024	2023
Cash flows from operating activities:			
Net margin (loss)	\$	12,348	11,892
Adjustments to reconcile net margin (loss) to net cash provided by operating activities:	*	1_,0 .0	,
Depreciation and amortization		73,533	85,595
Interest compounded – RUS Series B Note		_	6,874
Interest income compounded – RUS Cushion of Credit (advance			-,
payments unapplied)		(207)	(171)
Changes in certain assets and liabilities:		(==- )	( ,
Accounts receivable		836	2,115
Fuel and nonfuel inventory		9,414	(3,456)
Prepaid expenses and other		1,427	(1,731)
Deferred charges		4,453	15,364
Purchased power payable		6,020	33
Accounts payable		1,079	(3,284)
Accrued expenses		(4,894)	1,182
ARO obligations settled		(23,064)	(34,253)
Other – net		13,302	17,739
Net cash provided by operating activities		94,247	97,899
Cash flows from investing activities:			
Capital expenditures		(73,504)	(136,855)
Proceeds from restricted investments and deposits		1,078	4,015
Purchases of restricted investments and other deposits and investments		(3,348)	(7,089)
Proceeds of short-term investments		81,003	5,475
Purchases of short-term investments		(6,170)	(78,116)
Net cash used in investing activities		(941)	(212,570)
Cash flows from financing activities:			
Principal payments on long-term obligations		(50,126)	(157,026)
Proceeds from long-term obligations		<del>-</del>	270,917
Proceeds from line of credit		_	25,000
Payments on line of credit		_	(50,000)
Payments of debt issuance costs	_		(706)
Net cash (used in) provided by financing activities		(50,126)	88,185
Net increase (decrease) in cash and cash equivalents		43,180	(26,486)
Cash and cash equivalents – beginning of year		23,541	50,027
Cash and cash equivalents – end of year	\$	66,721	23,541
Supplemental cash flow information:			
Cash paid for interest	\$	43,418	30,570
Cash paid for income taxes		1	_
Supplemental schedule of non-cash financing and investing activities:			
Change in regulatory assets associated with asset retirement obligations	\$	8,446	(2,269)
Change in regulatory assets associated with utility plant	•	(32,782)	(32,422)
Change in deferred charges associated with asset retirement obligations		·	
Purchases of utility plant in accounts payable		856	17,375
			•

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

#### (1) Organization and Summary of Significant Accounting Policies

#### (a) General Information

Big Rivers Electric Corporation ("Big Rivers" or the "Company"), an electric generation and transmission cooperative, supplies wholesale power to its three member distribution cooperatives (Jackson Purchase Energy Corporation, Kenergy Corp. ("Kenergy"), and Meade County Rural Electric Cooperative Corporation ("Meade County RECC") under all requirements contracts. Big Rivers also markets power to nonmember utilities, power marketers, and the Midcontinent Independent System Operator ("MISO"). The members provide electric power and energy to industrial, residential, and commercial customers located in portions of 22 western Kentucky counties. The wholesale power contracts with the members remain in effect until December 31, 2043. Rates to Big Rivers' members are established by the Kentucky Public Service Commission ("KPSC") and are subject to approval by the Rural Utilities Service ("RUS"). The financial statements of Big Rivers include the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 980, Regulated Operations, and give recognition to the ratemaking and accounting practices of the KPSC and RUS.

#### (b) Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Significant items subject to such estimates and assumptions include intangible asset recoverability, asset retirement obligations, pension and postretirement obligations, and other contingencies. Actual results may differ from those estimates.

#### (c) System of Accounts

Big Rivers maintains its accounting records in accordance with the Uniform System of Accounts as prescribed by RUS Bulletin 1767B-1, as adopted by the KPSC. These regulatory agencies retain authority and periodically issue orders on various accounting and ratemaking matters. Adjustments to RUS accounting have been made to make the financial statements consistent with generally accepted accounting principles in the United States of America.

#### (d) Revenue Recognition

Revenues generated from the Company's wholesale power sales are based on month-end meter readings and are recognized as earned when electricity is delivered. Capacity revenues are recognized in the period in which the Company provides capacity to a counterparty. MISO sales revenue, from all resources, is recognized based upon the megawatt-hours delivered in each hour at the market price.

#### (e) Utility Plant and Depreciation

Utility plant is recorded at original cost, which includes the cost of contracted services, materials, labor, and overhead. In accordance with FASB ASC 835-20, *Interest – Capitalization of Interest*, the Company also includes capitalized interest on projects with an estimated total cost of \$250 or more

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

before consideration of capitalized interest. The interest capitalized is determined by applying the effective rate of Big Rivers' weighted average debt to the accumulated expenditures for qualifying projects included in construction in progress. Replacements of depreciable property units, except minor replacements, are charged to utility plant.

Depreciation of utility plant in service is recorded using the straight-line method over the estimated remaining service lives, as approved by the RUS and KPSC. During 2012, a depreciation study was completed to evaluate the remaining economic lives of the Company's assets and establish new depreciation rates. The study was approved by the RUS in 2012 and by the KPSC in 2014, with the rates becoming effective February 1, 2014. The annual composite depreciation rates used to compute depreciation expense are as follows:

 Electric plant
 0.35%-25.38%

 Transmission plant
 1.36%-2.29%

 General plant
 3.76%-9.88%

For 2024 and 2023, the average composite depreciation rates were 2.97% and 2.44%, respectively. At the time utility plant is disposed of, the original cost plus cost of removal less salvage value of such utility plant is charged to accumulated depreciation, as required by the RUS. For 2024 and 2023, Big Rivers TIER credit was charged to depreciation and amortization as discussed in Note 5.

#### (f) Intangible Plant

Indefinite-lived intangible assets are tested for impairment annually, and more frequently when there is a triggering event. Annually, or when there is a triggering event, the Company first performs a qualitative assessment by evaluating all relevant events and circumstances to determine if it is more likely than not that the indefinite-lived intangible assets are impaired. Intangible plant was recorded as a result of the resolution from a certified dispute amongst Big Rivers, Meade County RECC, and Louisville Gas and Electric ("LG&E") in KPSC Case No. 2019-00370. During 2020, \$15,000 was paid for the certified territorial rights which do not expire. An additional \$1,000 was paid in both 2024 and 2023, respectively, related to the same certified territorial rights. The territorial rights of the intangible plant have an indefinite life and are not subject to amortization.

During 2024 and 2023, the Company completed reliability projects in the amount of \$0 and \$268, respectively, which were transferred to LG&E in accordance with the resolution. Amortization expense of \$161 and \$165 was recorded in 2024 and 2023, respectively, for the reliability projects using an amortization period of 43.67 years. Intangible plant is subject to impairment testing and if impaired, the carrying value is accordingly reduced. There was no impairment recorded in 2024 or 2023.

#### (g) Impairment Review of Long-Lived Assets

Long-lived assets and intangible assets subject to amortization are reviewed as facts and circumstances indicate that the carrying amount may be impaired. FASB ASC 360, *Property, Plant, and Equipment*, requires the evaluation of impairment by comparing an asset's carrying value to the estimated future cash flows the asset is expected to generate over its remaining useful life. If this

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

evaluation were to conclude that the future cash flows were not sufficient to recover the carrying value of the asset, an impairment charge would be recorded based on the difference between the asset's carrying amount and its fair value (less costs to sell for assets to be disposed of by sale) as a charge to net margin.

#### (h) Asset Retirement Obligations

FASB ASC 410-20, Asset Retirement and Environmental Obligations – Asset Retirement Obligations, requires legal obligations associated with the retirement of long-lived assets to be recognized at fair value when incurred and capitalized as part of the related long-lived asset. The liability is accreted each period based on the credit-adjusted risk-free rate of return that existed when the liability, or portion thereof, was initially measured. The period accretion is recognized as an increase in the carrying amount of the liability, and the capitalized cost is depreciated over the useful life of the related asset. When the asset is retired, the entity settles the obligation for its recorded amount or incurs a gain or loss.

Big Rivers has recorded liabilities in its financial statements for asset retirement obligations ("AROs") related to the requirements of the U.S. Environmental Protection Agency's ("EPA") Disposal of Coal Combustion Residuals from Electric Utilities Rule ("CCR Final Rule"), the Effluent Limitations Guidelines Rule ("ELG Final Rule"), and the Final Rule - Legacy Coal Combustion Residuals Surface Impoundments and CCR Management Units Rule for the coal ash ponds and landfills. The related coal ash ponds to be closed are located at its Green Station, the City of Henderson's Station Two ("Station Two"), and Coleman Station generating units. The related landfills to be closed are located at its Sebree Station and Wilson Station (Phase Two). The CCR Final Rule was published in the Federal Register on April 17, 2015 and provides a comprehensive set of requirements for the safe disposal of CCRs, commonly known as coal ash, from coal-fired power plants. The EPA subsequently published an update to the CCR Final Rule, effective on September 28, 2020, allowing facilities to submit a demonstration for an extension to the deadline for unlined CCR surface impoundments to stop receiving waste. The Company submitted the demonstration in November 2020 requesting approval to operate its Green Station ash pond until June 2022, with closure commencing at that time. On November 8, 2024, the EPA finalized changes to the CCR regulations for inactive surface impoundments at inactive electric power plants, referred to as "legacy CCR surface impoundments." This rule requires the ash ponds located at Coleman Station to be closed. As part of the final changes to the rule, the Company must also complete evaluations to identify any other CCR management units, defined as land outside of regulated units whereby CCR was disposed of or managed on. The Company is in the process of performing a facility evaluation to determine whether additional obligations have been incurred as part of the final changes to the rule. Part 1 and Part 2 of the facility evaluation report are due February 9, 2026, and February 8, 2027, respectively. As such, we have not recorded any ARO's related to CCR management units as no reliable estimate can be made at this time. The ELG Final Rule was published in the Federal Register on November 3, 2015 and sets limits on the levels of toxic metals in wastewater that can be discharged from power plants. See Note 3 for further discussion of the Company's AROs.

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

#### (i) Inventory

Inventories are carried at average cost and include coal, lime, limestone, oil and gas used for electric generation, and materials and supplies used for utility operations. Purchased emission allowances are recorded in inventory at actual cost by each vintage year. Allowances issued by the EPA are recorded at zero cost by each vintage year. Total purchased and EPA issued allowances are carried in inventory at a weighted average cost by each vintage year. Issuances of allowances are accounted for on a vintage basis using a monthly weighted average cost.

#### (j) Cash and Cash Equivalents

Big Rivers considers all short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

#### (k) Short-Term Investments

Short-term investments include investments in debt securities with original maturities of less than one year.

#### (I) Regulatory Assets and Liabilities

FASB ASC 980 applies to regulated entities for which rates are designed to recover the costs of providing service. In accordance with this FASB topic, certain items that would normally be reflected in the statement of operations are deferred on the balance sheet. Regulatory assets represent probable future revenues associated with certain incurred costs, which will be recovered from members through the regulated rate-making process. Regulatory assets are reduced during the period(s) in which the related costs are recovered through rates or when future recovery is no longer probable. Conversely, regulatory liabilities represent future reductions in revenues associated with amounts that are to be credited, or refunded, to members through the regulated rate-making process. Regulatory liabilities are reduced during the period(s) in which the related amounts are refunded to members through rates or when future refunding of the amounts is no longer probable.

#### (m) Long-Term Accounts Receivable

During 2021, the Company amended a market-based rate partial and full requirements contract with an existing non-member customer. The amendment included deferral of charges incurred by the customer during 2021. As of December 31, 2024, the total due from the customer was \$4,305, with \$1,791 recorded as long-term accounts receivable and \$2,514 recorded in accounts receivable. The customer began making monthly installment payments during 2021 and will continue these payments through May 2027. There is no allowance recorded at December 31, 2024 or 2023.

#### (n) Other Deposits and Investments

Other deposits and investments consist primarily of patronage capital, cash collateral/margin call deposits, investments in associated organizations, and investments held in trust for a deferred compensation plan. Investments held in trust consist primarily of equities and money market accounts and are carried at fair value. Remaining deposits are recorded at their original cost as their cost approximates fair value due to the nature of the deposit.

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

#### (o) Income Taxes

Big Rivers was formed as a tax-exempt cooperative organization as described in Internal Revenue Code Section 501(c)(12). To retain tax-exempt status under this section, at least 85% of Big Rivers' annual income must be generated from transactions with the Company's members. In 1983, sales to nonmembers resulted in Big Rivers failing to meet the 85% requirement. Until Big Rivers can meet the 85% member income requirement, the Company will not be eligible for tax-exempt status and will be treated as a taxable cooperative.

As a taxable cooperative, Big Rivers is entitled to exclude the amount of patronage allocations to members from taxable income. Income and expenses related to nonpatronage-sourced operations are taxable to Big Rivers. Big Rivers files a federal income tax return and certain state income tax returns.

Under the provisions of FASB ASC 740, *Income Taxes*, Big Rivers is required to record deferred tax assets and liabilities for temporary differences between amounts reported for financial reporting purposes and amounts reported for income tax purposes on the tax return. Deferred tax assets and liabilities are determined based upon these temporary differences using enacted tax rates for the year in which these differences are expected to reverse. Deferred income tax expense or benefit is based on the change in assets and liabilities from period to period, subject to an ongoing assessment of realization. Tax benefits associated with income tax positions taken, or expected to be taken, in a tax return are recorded only when the more-likely-than-not recognition threshold is satisfied and measured at the largest amount of benefit that is greater than 50% likely of being realized upon settlement.

#### (p) Patronage Capital

As provided in the Company's bylaws, Big Rivers accounts for each year's patronage-sourced income, both operating and non-operating, on a patronage basis. Notwithstanding any other provision of the bylaws, the amount to be allocated as patronage capital for a given year shall not be less than the greater of regular taxable patronage-sourced income or alternative minimum taxable patronage-sourced income.

#### (q) Derivatives

Management has reviewed the requirements of FASB ASC 815, *Derivatives and Hedging*, and has determined that certain contracts to which the Company is a party to meet the definition of a derivative under FASB ASC 815. The Company has elected the Normal Purchase and Normal Sale exception for these contracts, and therefore, the contracts are not required to be recognized at fair value in the financial statements.

#### (r) Fair Value Measurements

FASB ASC 820, Fair Value Measurement, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal, or most advantageous, market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs when possible. The three levels of inputs used to measure fair value are as follows:

- Level 1 quoted prices in active markets for identical assets or liabilities;
- Level 2 observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data; and
- Level 3 unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities, including certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

#### (s) Deferred Loan Costs

The Company capitalizes costs incurred in connection with long-term debt. These costs are amortized using the effective interest method over the term of the respective debt financing agreements.

#### (t) Deferred Credits and Other

Deferred credits and other includes employee-related benefits, reimbursable projects, obligations under capital lease, and capacity revenue sales billed but not yet earned. Employee related benefits include, but are not limited to, pension and post-retirement benefit costs and amounted to \$13,639 and \$14,623 at December 31, 2024 and 2023, respectively. Reimbursable projects amounted to \$14,311 and \$4,687, respectively. Obligations under capital lease amounted to \$4,571 and \$0, respectively. Deferred capacity revenue, which will be recognized within the next year, amounted to \$73 and \$162 at December 31, 2024 and 2023, respectively.

#### (u) New Accounting Guidance

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* ASU 2023-09 is effective for the Company's annual reporting periods beginning after December 15, 2025. The ASU requires the annual financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, and income taxes paid disaggregated by jurisdiction. Adoption is either with a prospective method or a fully retrospective method of transition. The Company is still evaluating the impact of adopting the guidance on its financial statements.

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

#### (2) Utility Plant

At December 31, 2024 and 2023, utility plant is summarized as follows:

	_	2024	2023
Classified plant in service:			
Production plant	\$	1,543,226	1,446,008
Transmission plant		440,429	438,660
General plant		84,717	81,647
Other		67	67
		2,068,439	1,966,382
Less accumulated depreciation	_	1,140,795	1,094,034
		927,644	872,348
Construction in progress	_	142,666	122,670
Utility plant – net	\$_	1,070,310	995,018

Big Rivers' secured long-term debt obligations and the 2<sup>nd</sup> Amended and Restated Syndicated Senior Secured Credit Agreement, dated June 20, 2023, are secured under Big Rivers' Indenture dated as of July 1, 2009, as supplemented and amended (the "Indenture"), between Big Rivers and U.S. Bank National Association, as trustee (the "Indenture Trustee"). Obligations are secured under the Indenture by a mortgage lien on substantially all of Big Rivers' owned tangible, and certain intangible, properties including Big Rivers' production, transmission, general, and other Utility Plant. See Note 4 for further discussion of Big Rivers' Debt and Other Long-Term Obligations secured under its Indenture.

Depreciation expense on utility plant for the years ended December 31, 2024 and 2023, was \$50,898 and \$48,980, respectively.

Interest capitalized for the years ended December 31, 2024 and 2023, was \$3,536 and \$3,404, respectively.

As of December 31, 2024 and 2023, the Company had recorded \$48,921 and \$47,285, respectively, related to nonlegal removal costs included in accumulated depreciation as required by the RUS.

#### (3) Asset Retirement Obligations

The Company has AROs arising from legal obligations associated with the retirements of certain long-lived assets. The liabilities were initially measured at fair value and subsequently adjusted for accretion expense and changes in estimated future cash flows. The corresponding asset retirement costs are capitalized as part of the carrying amount of the related long-lived assets and depreciated over their remaining useful

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lives. The following table presents the activity for the ARO liabilities for the years ended December 31, 2024 and 2023:

	 2024		2023	_
ARO balance at beginning of year	\$ 43,520		69,267	
Additional obligations incurred	42,573	(a)	_	
Changes in estimated timing or cost	19,333	(b)	4,968	(c)
Accretion expense	3,094	(d)	3,538	(d)
Obligations settled during current period	(23,064)		(34,253)	_
ARO balance at end of year	\$ 85,456		43,520	_

- (a) Due to the final changes to the CCR Rule relating to legacy surface impoundments, an ARO liability was recorded in 2024 for closure costs associated with the Coleman Station ash ponds. See Note 1, for new EPA regulations effective for 2024 requiring closure of Coleman Station ash ponds.
- (b) As of December 31, 2024, closure activities were still ongoing for both the Green Station and Station Two ash ponds. As a result, Big Rivers recorded an adjustment to the Green Station and Station Two ash pond ARO liabilities to reflect both a change in cost estimate and extension of the final closure date. Big Rivers received an updated cost estimate for the closure of the Sebree landfill in 2024. Additionally, Big Rivers' future intent to utilize the Sebree landfill was also extended during 2024. As a result of the new cost estimate and extended use, Big Rivers recorded an adjustment to the Sebree landfill ARO liability.
- (c) During 2023, closure plans for both the Green Station and Station Two ash ponds were finalized. As a result of these final plans, Big Rivers recorded an adjustment to the Green Station and Station Two ash pond ARO liabilities to reflect both a change in cost estimate and extension of the final closure date. Big Rivers' future intent to utilize the Sebree landfill was also extended during 2023. As a result of the extended use of the Sebree landfill, Big Rivers recorded an adjustment to the Sebree landfill ARO liability to reflect an extension of the final closure date.
- (d) The 2024 and 2023 annual ARO accretion expense of \$3,094 and \$3,538, respectively, was deferred and included in the Regulatory Assets amount reported on the Company's balance sheet as of December 31, 2024 and 2023. The KPSC final order in Case No. 2019-00435, the Environmental Compliance Plan, approved the recovery of the capital costs for ash pond closure through the environmental surcharge mechanism ("ESM") based on non-levelized amortization of the actual ash pond closure spending-to-date, allocable over a rolling 10-year period. This method ensures that cost recovery from Members through the ESM is based on actual project spending while also allowing Big Rivers to match its amortization expense with ESM revenue.

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#### (4) Debt and Other Long-Term Obligations

Details of long-term debt at December 31, 2024 and 2023 are as follows:

	_	2024	2023
CFC Refinance Promissory Note, Series 2012B, serial note			
pricing, 4.30% effective interest rate, final maturity			
date of May 2032	\$	142,532	158,152
CoBank Promissory Note, Series 2012A, 4.30% fixed interest	•	,	, -
rate, final maturity date of June 2032		114,688	127,135
2018 RUS Guaranteed FFB Loan, W8, 2.83% effective interest		•	•
rate, final maturity date of January 2033		16,554	18,834
2018 RUS Guaranteed FFB Loan, X8, 2.94% effective interest			
rate, final maturity date of December 2043		15,039	15,777
2021 RUS Guaranteed FFB Loan, Y8A, 1.94% effective interest			
rate, final maturity date of December 2043		23,272	24,542
2022 RUS Guaranteed FFB Loan, Y8B, 3.34% effective interest			
rate, final maturity date of December 2043		117,260	122,765
2022 RUS Guaranteed FFB Loan, AA8, 2.31% effective interest			
rate, final maturity date of December 2043		54,634	57,500
2023 RUS Guaranteed FFB Loan, Z8, 4.97% effective interest			
rate, final maturity date of December 2043		12,654	13,152
2023 RUS Guaranteed FFB Loan, AC58, 4.37% effective interest			
rate, final maturity date of December 2042		122,765	122,765
2022 CFC Loan 1, 4.58% fixed interest rate,			
final maturity date of September 2042		45,943	47,622
2022 CFC Loan 2, 4.82% fixed interest rate,			
final maturity date of September 2042		46,458	48,080
2022 CFC Farmer Mac Loan, 4.37% fixed interest rate,			
final maturity date of September 2042		45,858	47,569
2023 CFC Loan 1, 5.45% fixed interest rate,			
final maturity date of September 2043		33,484	34,508
2023 CFC Loan 2, 5.45% fixed interest rate,			
final maturity date of September 2043		23,917	24,649
2023 CFC Loan 3, 5.46% fixed interest rate,			
final maturity date of September 2043		72,866	75,000
CFC Promissory Note, Series 2020B, 2.49% fixed		00.000	00.000
interest rate, final maturity date of February 2031	_	83,300	83,300
Total long-term debt		971,224	1,021,350

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	 2024	2023
Total long-term debt	971,224	1,021,350
Less current maturities	\$ 50,736	50,125
Less unamortized deferred debt issuance costs	2,595	3,041
Less advance payments unapplied – RUS cushion of credit	 4,188	3,981
Total long-term debt – net of current maturities, deferred debt issuance costs, and advance		
payments	\$ 913,705	964,203

The following are scheduled maturities of long-term debt at December 31, 2024:

	 Amount	
Year:		
2025	\$ 50,736	
2026	56,648	
2027	54,889	
2028	61,502	
2029	68,894	
Thereafter	 678,555	
Total	\$ 971,224	

#### (a) Indenture Dated July 1, 2009

All debt of Big Rivers is secured by the indenture.

#### (b) Loan Proceed Purpose

The primary purpose for the proceeds of Big Rivers' loans is financing of capital expenditures. Two exceptions include RUS FFB Y8B and RUS FFB AC58 proceeds were used to refinance RUS Series B Note.

#### (c) Loan Interest

All RUS Guaranteed FFB Notes have a fixed interest rate which excludes the RUS Administrative fee. The effective rate on all RUS Guaranteed FFB Notes is the fixed interest rate plus the 0.125% RUS Administrative fee.

For all CoBank and CFC loans, the stated and effective interest rates are the same. There are no additional administrative fees.

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# (d) Line of Credit (CFC Syndicated Line), Series 2023A

On June 20, 2023, the existing 2020 Agreement, that was previously amended and restated, was replaced with a \$150,000 Syndicated Secured Credit Agreement (the "2023 Agreement") with CFC, CoBank, Fifth Third Bank, Regions Bank, and Bank of America. In conjunction with the 2023 Agreement, Big Rivers issued secured promissory notes (the "Series 2023A Notes"), equal to each lender's commitment, which are secured under Big Rivers' Indenture. The line of credit is billed monthly for interest only. The rate is a variable rate tied to the Secured Overnight Financing Rate plus the applicable margin. The applicable margin range is 1.00% to 1.65%. The line matures June 20, 2026.

As of December 31, 2024, Big Rivers had outstanding borrowings of \$0 under the 2023 Agreement and \$0 in issued letters of credit outstanding. As of December 31, 2023, Big Rivers had outstanding borrowings of \$0 under the 2023 Agreement and \$0 in issued letters of credit outstanding.

#### (e) RUS Cushion of Credit

In 2018, Big Rivers began participating in the cushion of credit program administered by the RUS in conjunction with the execution of the 2018 W8 and X8 RUS Guaranteed FFB Loans. Under the cushion of credit program, RUS borrowers may make voluntary irrevocable deposits into the cushion of credit account. Per the terms of the RUS' commitment to guarantee Big Rivers' W8 and X8 Loans, Big Rivers agreed to make an initial deposit of \$3,200 to the cushion of credit account upon receipt of the loan funds and to make additional deposits, as needed, so that the balance at the beginning of each year going forward is equal to or greater than the annual payments due on the W8 and X8 Loans during the year. The interest rate is equal to the one-year Treasury rate as of October 1 of each year. The rate in effect as of December 31, 2024, is 3.98%. During 2024, the cushion of credit account accrued interest at an annual rate of 5.46%.

Big Rivers' amounts in the cushion of credit account (deposits and accrued interest) may only be used to make scheduled principal and interest payments on the W8 and X8 Loans.

## (f) Covenants

Big Rivers is in compliance with all debt covenants associated with both its long-term and short-term debt obligations. The Company's Indenture and other debt agreements require that a Margins for Interest Ratio ("MFIR") of at least 1.10 be maintained for each fiscal year. The MFIR is the sum of margins for interest plus interest charges, divided by interest charges. The 2023 Agreement requires that Big Rivers, throughout the duration of the agreement, maintain a minimum Members' Equities' Balance at the end of each fiscal quarter-end and as of the last day of each fiscal year in an amount at least equal to \$365,000 plus 50% of the cumulative positive net margin for the period from December 31, 2022, to the end of the Borrower's most recently ended fiscal year. Big Rivers' MFIR for the fiscal year ended December 31, 2024, was 1.30, taking into account the TIER Credit discussed in note 5, and its Equities balance was \$497,121.

An MFIR of less than 1.10, per the Indenture and other debt agreements, may result in the following actions, restrictions, or consequences: Big Rivers may not secure additional debt under the Indenture; the Company must seek rates that are reasonably expected to yield a 1.10 MFIR; the Company must provide a written plan satisfactory to the RUS setting forth actions to be taken to achieve the specified

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MFIR on a timely basis; an event of default may occur; interest rates may increase; and its line of credit may be terminated with an acceleration of any outstanding amounts becoming due immediately.

# (5) Rate Matters

In connection with the rate matters discussed below, the following tables provide a summary of Regulatory Assets and Liabilities reflected in the Balance Sheet as of December 31, 2024 and 2023:

	Regulatory assets		
		2024	2023
Non-FAC PPA	\$	20,858	25,719
Asset retirement obligations		54,327	48,878
Environmental costs (CCR)		9,209	10,744
ECP case expense		_	40
Station Two contract termination		51,453	79,776
Coleman plant retire/decommission		136,492	134,760
Green plant gas conversion		81,066	84,260
Total regulatory assets	\$	353,405	384,177
		Regulatory I	iabilities
		2024	2023
Member rate mitigation	\$	2,782	10,341
TIER Credit		16,573	26,811
Total regulatory liabilities	\$	19,355	37,152

The rates charged to Big Rivers' members generally consist of a demand charge per kilowatt ("kW") and an energy charge per kilowatt-hour ("kWh") consumed as approved by the KPSC. The rates include specific demand and energy charges for its two classes of customers, the large industrial customers and the rural customers, under its jurisdiction. For the large industrial customers, the demand charge is generally based on each customer's maximum demand during the current month. For the rural customers, the demand charge is based on Maximum Adjusted Net Local Load (as defined in Big Rivers' tariff).

The Company has certain KPSC approved tariff riders; including a fuel adjustment clause, an environmental surcharge, and the Member Rate Stability Mechanism ("MRSM").

## Non-FAC PPA:

Effective July 17, 2009, the KPSC approved the implementation of the Non-Fuel Adjustment Clause-Purchased Power Adjustment ("Non-FAC PPA") which is a rate mechanism allowing Big Rivers to recover certain costs of purchased power that are not recoverable through its Fuel Adjustment Clause ("FAC"). An accrual is recorded monthly to a regulatory asset or liability account based on the difference between the actual purchased power costs recoverable through the Non-FAC PPA and the purchased power base cost included in base rates. The balance in the regulatory asset or liability account as of

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June 30 each year is billed or refunded to members during the following twelve-month period beginning September 1 through August 31 of the following year.

# Asset Retirement Obligations:

On January 5, 2016, the KPSC issued an order in Case No. 2015-00333 approving Big Rivers' request to establish regulatory assets for the deferral of certain expenses it would incur for compliance with the CCR Final Rule, including accretion and depreciation expense related to the Green Station and Station Two ash ponds' AROs and other incremental expenses. On June 11, 2021, the KPSC issued an order in Case No. 2021-00079 approving Big Rivers' requests to establish a regulatory asset for the deferral of certain expenses related to the Green Station and to recover those deferred expenses through a levelized amortization of the deferred amount over the period from 2024 through 2045. The ARO for the Sebree Station landfill is recorded in this regulatory asset. On October 25, 2022, the KPSC issued an order in Case No. 2022-00201, approving Big Rivers' request to establish regulatory assets for the deferral of certain expenses it would incur for compliance with the CCR Final Rule, including accretion and depreciation expense related to the ARO for the Wilson Station landfill.

# Environmental Costs (CCR) and ECP Case Expense:

On August 6, 2020, the KPSC approved Big Rivers' 2020 Environmental Compliance Plan ("2020 ECP"), (1) granting Big Rivers the authority to close the Green Station and Station Two ash ponds; (2) granting Big Rivers the authority to move the Coleman Station flue gas desulfurization system ("FGD") to Wilson Station to replace Wilson's FGD; (3) conditionally granting Big Rivers' request to establish regulatory assets for the accretion and depreciation expense related to the Coleman Station legacy ash ponds, should the CCR Final Rule be extended to apply to such legacy ash ponds; (4) conditionally granting Big Rivers the authority to close the Coleman Station ash ponds, should the CCR Final Rule be extended to apply to such legacy ash ponds; (5) authorizing Big Rivers to amortize the Green Station and Station Two ash pond AROs through its environmental surcharge; (6) conditionally authorizing Big Rivers to amortize the costs incurred to close the Coleman Station ash pond through its environmental surcharge should the CCR Final Rule be extended to apply to the Coleman Station ash ponds; (7) authorizing Big Rivers to amortize the regulatory asset for CCR-related expenses through its environmental surcharge; and (8) authorizing Big Rivers to establish a regulatory asset for the costs of preparing and prosecuting the 2020 ECP case, the recovery of which regulatory asset was approved in Case No. 2021-00061. On May 8, 2024, the U.S. Environmental Protection Agency ("EPA") finalized the CCR regulations for inactive surface impoundments at inactive electric utilities, referred to as "legacy CCR surface impoundments." On December 16, 2024, Big Rivers notified the KPSC the Coleman Station ash ponds are subjected to the CCR Rule, meeting the August 6, 2020 Order's condition to recordColeman ARO costs as a regulatory asset. Costs related to the Coleman ARO are recorded within the Coleman plant retirement regulatory asset.

As of December 31, 2024 and 2023, the total amount of CCR-related expenses and costs for asset retirement obligations deferred and included in Regulatory Assets on the Company's balance sheet was \$63,536 and \$59,622, respectively, and the costs of preparing and prosecuting the ECP case that have been deferred and included in Regulatory Assets on the Company's balance sheet was \$0 and \$40, respectively.

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## Station Two Contract Termination:

On August 29, 2018, the KPSC entered an order (Case No. 2018-00146) (i) finding that the Station Two units were no longer capable of the normal, continuous, reliable operation for the economically competitive production of electricity; (ii) finding that the Station Two contracts, except for the Joint Facilities Agreement, have therefore terminated pursuant to their own terms; (iii) granting Big Rivers' request for authority to continue to operate Station Two under terms of the Station Two contracts for a period up to May 31, 2019; and (iv) reserving a ruling on Big Rivers' request for authority to establish a Station Two regulatory asset. The remaining issues in this case were resolved with a Settlement Agreement between the Office of the Attorney General, the Kentucky Industrial Utility Customers ("KIUC"), and Big Rivers. The Settlement Agreement provided, among other things, that the KPSC would approve the Station Two regulatory asset. On October 23, 2018, the KPSC issued a final order approving the Settlement Agreement in full. RUS approved the Settlement Agreement on February 22, 2019. As of December 31, 2024, the total amount of the Station Two contract termination included in the Regulatory Assets on the Company's balance sheet was \$51,453. This includes Station Two assets transferred from utility plant to Regulatory Assets and the Company's portion of decommissioning costs incurred to date.

## Coleman Plant and Reid 1 Plant Retire/Decommission:

On June 25, 2020, the KPSC entered an order in Case No. 2020-00064 approving a Settlement Agreement, as modified by the Commission, between Big Rivers, KIUC and the Attorney General, which approved Big Rivers' requests to: (1) establish regulatory assets for the remaining net book value of Coleman Station and Reid Station Unit 1 at retirement, and for the costs to decommission those units; (2) cease charging DSM savings to a regulatory liability; (3) utilize the existing DSM regulatory liability in 2020 and 80% of equity headroom in 2021 to reduce Smelter Load Mitigation (SLM) regulatory assets (the Wilson and Coleman depreciation regulatory assets; the Coleman, Reid 1, and Station Two retirement and decommissioning regulatory assets; and a regulatory asset through which the costs related to a focused management audit were deferred); and (4) recover the amounts deferred in those regulatory assets through amortization. The KPSC also approved replacing the TIER Credit mechanism in Big Rivers' MRSM tariff with a new TIER Credit mechanism. Under the new TIER Credit, in years in which Big Rivers earns in excess of a 1.30 TIER, 40% of the excess margins will be returned to Big Rivers' members over the following year through a monthly bill credit. The remaining 60% of the excess margins will be deferred in regulatory liability accounts, with a minimum required balance of \$9,000 (which the KPSC increased to \$12,400 in Case No. 2024-00031), to be utilized in a year in which Big Rivers does not achieve a 1.30 TIER or to further decrease the balance of the regulatory assets with KPSC approval. The first \$700 of the bill credit each year will be allocated to Rural customers, and any bill credit over \$700 will be allocated between the Rural and Large Industrial customers based on revenues.

During 2024 and 2023, the Company reduced the SLM regulatory asset balances by recording amortization of \$28,555 and \$30,610, respectively. The amortization recorded was ordered in Case No. 2020-00064 and includes the equity headroom adjustment in 2021, annual TIER credit allocation, and monthly amortization.

# Green Plant Gas Conversion:

On June 11, 2021, the KPSC granted Big Rivers a certificate of public convenience and necessity ("CPCN") to convert Big Rivers' two existing coal-fired generating units at its Green Station to run on natural gas, authorized the gas conversion assets to be depreciated over a seven-year period, and granted

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Big Rivers the authority to establish a regulatory asset to defer recognition of the costs that Big Rivers expects to incur as a result of the retirement of certain Green Station assets, including Sebree Station landfill, that will no longer be utilized after the conversion. The gas conversion was completed in late May 2022. The costs incurred as a result of the gas conversion, including the retirement of the assets, were recorded in the regulatory asset. The gas conversion assets are being depreciated over a seven-year period beginning in June 2022.

## Regulatory Liabilities:

On June 25, 2020, the KPSC approved changes to the company's MRSM tariff. In years in which Big Rivers earns margins in excess of a 1.30 TIER, excluding the utilization of equity headroom, 40% of the excess margins will be returned as a monthly bill credit, the new TIER Credit, to Big Rivers' members over the following year through the MRSM tariff. The remaining 60% of the excess margins will be deferred in regulatory liability accounts. Big Rivers' new TIER Credit was \$6,955 for 2024, with 40%, or \$2,782 to be returned to members through bill credits over a twelve-month period beginning February 2025. This amount is recorded as a regulatory liability at December 31, 2024, presented between current and long-term maturities based on the timing of future bill credits expected to be provided to the members. The remaining 60%, or \$4,173, was also deferred in regulatory liability accounts and is expected to offset the regulatory assets, as described above, subject to KPSC approval. The regulatory liability of \$12,400 remaining from 2024 will continue to remain as a minimum required balance as described above. The new TIER Credit was recorded as depreciation and amortization expense on the statement of operations.

On February 28, 2024, Big Rivers filed an application with the KPSC, Case No. 2024-00031, for review of its MRSM charge for calendar year 2023. In its application, Big Rivers proposed to use the regulatory liability amount in excess of the minimum required balance of \$11,300 that was established in Case No. 2023-00038, discussed above, or \$15,511, to further reduce the SLM Regulatory Assets in 2024. KPSC approved Big Rivers' proposal on December 6, 2024. The KPSC also increased the minimum required balance in the regulatory liability from \$11,300 to \$12,400.

On February 28, 2025, Big Rivers filed an application with the KPSC, Case No. 2025-00021, for review of its MRSM charge for calendar year 2024. In its application, Big Rivers proposed to use the regulatory liability amount in excess of the minimum required balance of \$12,400 that was established in 2024-00031, discussed above, or \$4,173, to further reduce the SLM Regulatory assets in 2025. This case is pending.

## (6) Income Taxes

At December 31, 2024, Big Rivers had a Non-Patron Net Operating Loss ("NOL") Carryforward of approximately \$67,025 expiring at various times between 2029 and 2037, which was entirely offset by a full valuation allowance.

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The components of the net deferred tax assets as of December 31, 2024 and 2023 were as follows:

	-	2024	2023
Deferred tax assets:			
Net operating loss carryforward	\$.	16,723	16,307
Total deferred tax assets		16,723	16,307
Deferred tax liabilities: Fixed asset basis difference Bond refunding costs	_	(4,345) (35)	(5,179) (40)
Total deferred tax liabilities		(4,380)	(5,219)
Net deferred tax asset (pre-valuation allowance)	)	12,343	11,088
Valuation allowance		(12,343)	(11,088)
Net deferred tax asset	\$		

A reconciliation of the Company's effective tax rate for 2024 and 2023 is as follows:

	2024	2023
Federal rate	21.0 %	21.0 %
State rate – net of federal benefit	4.0	4.0
Permanent differences	<del>_</del>	_
Patronage allocation to members	(25.0)	(25.0)
Alternative minimum tax credit recovery		
Effective tax rate	<u> </u>	<u> </u>

The Company files a federal income tax return, as well as certain state income tax returns. The years currently open for federal income tax examination are 2021 through 2023. The major state tax jurisdiction currently open for income tax examination is Kentucky for years 2020 through 2023. The Company has not recorded any unrecognized tax benefits or liabilities related to federal or state income taxes.

The Company classifies tax-related interest and penalties as an operating expense on the statement of operations and accrued expenses on the balance sheet. No material tax-related interest or penalties have been recorded during 2024 or 2023.

# (7) Pension Plans

# (a) Defined-Benefit Plans

Big Rivers has a noncontributory defined-benefit pension plan covering substantially all employees who meet minimum age and service requirements and who were employed by the Company prior to the

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plan closure dates cited below. The plan provides benefits based on the participants' years of service and the five highest consecutive years' compensation during the last ten years of employment. Big Rivers' policy is to fund such plan in accordance with the requirements of the Employee Retirement Income Security Act of 1974.

Prior to January 1, 2014, Big Rivers had two separate defined-benefit pension plans. The salaried employees' defined-benefit plan was closed to new entrants effective January 1, 2008, and the bargaining employees' defined-benefit plan was closed to new hires effective November 1, 2008. The Company simultaneously established base contribution accounts in the defined-contribution thrift and 401(k) savings plans, which were renamed as the retirement savings plans. The base contribution account for an eligible employee, which is one who meets the minimum age and service requirements, but for whom membership in the defined-benefit plan is closed, is funded by employer contributions based on graduated percentages of the employee's pay, depending on his or her age.

In order to meet minimum participation requirements, Big Rivers' salaried employees defined benefit plan was merged into the bargaining employees defined benefit plan. The merger was effective January 1, 2014, for purposes of Internal Revenue Code and effective December 31, 2014, for all other purposes. Effective January 1, 2017, participation was frozen in the merged plan for highly compensated employees in order to comply with IRS code section 401(a)(26).

Effective December 31, 2021, all employees within the defined benefit plan were frozen. No employee shall accrue any benefits under the plan on or after December 31, 2021. The employees impacted will subsequently become eligible for the base contribution accounts described above.

The Company has adopted FASB ASC 715, *Compensation – Retirement Benefits*, including the requirement to recognize the funded status of its pension plan and other postretirement plans (Note 10 – Postretirement Benefits Other than Pensions). ASC 715 defines the funded status of a defined-benefit pension plan as the fair value of its assets less its projected benefit obligation, which includes projected salary increases and defines the funded status of any other postretirement plan as the fair value of its assets less its accumulated postretirement benefit obligation.

ASC 715 also requires an employer to measure the funded status of a plan as of the date of its year-end balance sheet and requires disclosure in the notes to the financial statements of certain additional information related to net periodic benefit costs for the next fiscal year. The Company's pension and other postretirement benefit plans are measured as of December 31, 2024 and 2023.

The following provides an overview of the Company's noncontributory defined-benefit pension plan.

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A reconciliation of the Company's benefit obligations of its noncontributory defined-benefit pension plan at December 31, 2024 and 2023, is as follows:

		2024	2023
Benefit obligation – beginning of period	\$	7,109	7,622
Service cost – benefits earned during the period		_	_
Interest cost on projected benefit obligation		343	401
Plan curtailments		<del>_</del>	_
Benefits paid		(663)	(1,234)
Actuarial loss (gain)		(192)	320
Benefit obligation – end of period	\$_	6,597	7,109

Big Rivers' defined-benefit pension plan provides retirees and terminated employees with a lump-sum payment option. Benefits paid in 2024 include lump-sum payments totaling \$525 – the result of one former employee electing the lump-sum payment option. Benefits paid in 2023 include lump-sum payments totaling \$1,096 – the result of three former employees electing the lump-sum payment option.

The accumulated benefit obligation for the defined-benefit pension plan was \$6,597 and \$7,109 at December 31, 2024 and 2023, respectively.

A reconciliation of the Company's pension plan assets at December 31, 2024 and 2023, is as follows:

	2024		2023	
Fair value of plan assets – beginning of period	\$	6,423	7,087	
Employer contributions		101	101	
Actual return on plan assets		(45)	469	
Benefits paid		(663)	(1,234)	
Fair value of plan assets – end of period	\$	5,816	6,423	

The funded status of the Company's pension plan at December 31, 2024 and 2023, is as follows:

	 2024	2023
Benefit obligation – end of period	\$ (6,597)	(7,109)
Fair value of plan assets – end of period	 5,816	6,423
Funded status (under)/over	\$ (781)	(686)

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Components of net periodic pension costs for the years ended December 31, 2024 and 2023, were as follows:

	 2024	
Service cost	\$ _	_
Interest cost	344	400
Expected return on plan assets	(367)	(367)
Amortization of prior service cost	_	_
Amortization of actuarial loss	51	61
Settlement and curtailment (gain) loss	 181	349
Net periodic benefit cost	\$ 209	443

A reconciliation of the pension plan amounts in accumulated other comprehensive income at December 31, 2024 and 2023, is as follows:

	 2024	2023
Prior service cost	\$ _	_
Unamortized actuarial loss	 (2,203)	(2,215)
Accumulated other comprehensive income	\$ (2,203)	(2,215)

The recognized adjustments to other comprehensive income at December 31, 2024 and 2023, are as follows:

	2024	2023
Prior service cost	\$ 	
Unamortized actuarial gain/(loss)	 (12)	(192)
Other comprehensive (income)/loss	\$ (12)	(192)

At December 31, 2024 and 2023, amounts recognized in the balance sheets were as follows:

	2024	2023
Deferred credits and other	\$ (781)	(686)

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Assumptions used to develop the projected benefit obligation and determine the net periodic benefit cost were as follows:

	2024	2023
Discount rate – projected benefit obligation	5.43 %	5.05 %
Discount rate - net periodic benefit cost	5.05	5.39
Rates of increase in compensation levels	N/A	N/A
Expected long-term rate of return on		
assets	5.85	5.30

The expected long-term rate of return on plan assets for determining net periodic pension cost for each fiscal year is chosen by the Company from a best estimate range determined by applying anticipated long-term returns and long-term volatility for various asset categories to the target asset allocation of the plan. The expected long-term rate of return on assets is based on the median expected rate of return for a passively-managed portfolio plus the incremental return from active management.

Big Rivers utilizes a third-party investment manager for the plan assets, and has communicated thereto the Company's Retirement Plan Investment Policy, including a target asset allocation mix of 10% U.S. equities (an acceptable range of 5%–15%), 10% international equities (an acceptable range of 5%–15%), 60% Long-Term Government Fixed Income (an acceptable range of 50%-70%), and 20% U.S. Credit (an acceptable range of 10%–30%). As of December 31, 2024, the investment allocation was 11% in U.S. equities, 10% in international equities, 59% in Long Term Government Fixed income and 20% in U.S. Credit. As of December 31, 2023, the investment allocation was 10% in U.S. equities, 10% in international equities, 62% in Long Term Government Fixed income and 18% in U.S. Credit. The objective of the investment program seeks to (a) maximize return on investment, (b) minimize volatility, (c) minimize Company contributions, and (d) provide the employee benefit in accordance with the plan. The portfolio is well diversified and of high quality. The average quality of the fixed income investments must be "A" or better. The equity portfolio must also be of investment grade quality. The performance of the investment manager is reviewed semiannually.

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

At December 31, 2024 and 2023, the fair value of Big Rivers' defined-benefit pension plan assets by asset category are as follows:

	 Level 1	Level 2	December 31, 2024
Cash and money market Equity securities:	\$ 189	_	189
Common stock	348	_	348
Mutual funds	783	_	783
Fixed:			
Corporate bonds and notes	 	4,496	4,496
	\$ 1,320	4,496	5,816
	 Level 1	Level 2	December 31, 2023
Cash and money market Equity securities:	\$ 177	_	177
Common stock	373	_	373
Mutual funds	867	_	867
Fixed:			
Corporate bonds and notes	 	5,006	5,006
	\$		6,423

Expected retiree pension benefit payments projected to be required during the next ten years following 2024 are as follows:

	 Amount
Year ending December 31:	
2025	\$ 367
2026	518
2027	416
2028	380
2029	997
Thereafter	 4,121
Total	\$ 6,799

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

## (b) Defined-Contribution Plans

Big Rivers has two defined-contribution retirement plans covering substantially all employees who meet minimum age and service requirements. Each plan has a thrift and 401(k) savings section allowing employees to contribute up to 75% of pay on a pretax and/or after-tax basis, with employer matching contributions equal to 60% of the first 6% contributed by the employee on a pretax basis.

A base contribution retirement section was added and the plan name changed from Thrift and 401(k) Savings to Retirement Savings, effective January 1, 2008, for the salaried plan and November 1, 2008, for the bargaining plan. The base contribution account is funded by employer contributions based on graduated percentages of pay, depending on the employee's age.

The Company's expense under these plans was \$4,077 and \$3,915 for the years ended December 31, 2024 and 2023, respectively, recorded as operating expenses on the statement of operations.

# (c) Deferred Compensation Plan

Big Rivers sponsors a nonqualified deferred compensation plan for its eligible employees who are members of a select group of management or highly compensated employees. The purpose of the plan is to allow participants to receive contributions or make deferrals that they could not receive or make under the salaried employees qualified defined-contribution retirement savings plan (formerly, the thrift and 401(k) savings plan) as a result of nondiscrimination rules and other limitations applicable to the qualified plan under the Internal Revenue Code. The nonqualified plan also allows a participant to defer a percentage of his or her pay on a pretax basis.

The nonqualified deferred compensation plan is unfunded, but the Company has chosen to finance its obligations under the plan, including any employee deferrals, through a rabbi trust. The trust assets remain a part of the Company's general assets, subject to the claims of its creditors. The employer contribution for December 31, 2024 and 2023, was \$156 and \$206, respectively, and the deferred compensation expense for December 31, 2024 and 2023, was \$263 and \$518, respectively. As of December 31, 2024 and 2023, the trust assets were \$502 and \$2,003, and the deferred liability was \$502 and \$2,003, respectively. The company classifies trust assets as other deposits and investments and the deferred liability as deferred credits and other on the balance sheet.

#### (8) Short-Term Investments

At December 31, 2024, the Company's short-term investments included \$3,228 of investments in debt securities which are included in the Company's balance sheet at amortized cost. At December 31, 2023, the Company's short-term investments included \$78,061 of investments in debt securities which are included in the Company's balance sheet at amortized cost. The investments in debt securities are classified as held-to-maturity, based on management's intent and ability to hold them to maturity. Both CDs and investments in debt securities are included in "Cash and Cash Equivalents" (if the original maturity date is less than or equal to three months) or "Short-term-investments" (if the original maturity date is greater than three months but less than one year).

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

The amortized costs and fair values (Level 1 measurement) of Big Rivers' short-term investments at December 31, 2024 and 2023, were as follows:

	_	2024		2023	
	_	Amortized costs	Fair values	Amortized costs	Fair values
Debt securities: U.S. Treasuries	\$_	3,228	3,229	78,061	78,058
Total short-term investments	\$_	3,228	3,229	78,061	78,058

Gross unrealized losses on short-term investments at December 31, 2024 and 2023, were as follows:

	2024		2023	
	Gains	Losses	Gains	Losses
Debt securities: U.S. Treasuries	\$ (1)			(3)
Total short-term investments	\$ (1)			(3)

The Treasury securities are short-term in nature, and there is no expectation of loss.

## (9) Fair Value of Other Financial Instruments

FASB ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measures. It applies under other accounting standards that require or permit fair value measurements and does not require any new fair value measurements.

The carrying value of accounts receivable, net of allowance of \$1,423 at December 31, 2024 and 2023, and accounts payable approximate fair value due to their short maturity. The carrying value of long-term accounts receivable is the net amount deemed certain of collection, which approximates fair value. At December 31, 2024 and 2023, the Company's cash and cash equivalents included short-term investments in an institutional U.S. government money market portfolio account classified as trading securities under ASC 320, *Investments* – *Debt and Equity Securities*, that were recorded at fair value which was determined using quoted market prices for identical assets without regard to valuation adjustment or block discount (a Level 1 measure), as follows:

	-	2024	2023
Institutional U.S. government money market portfolio	\$	50,922	155

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

Big Rivers' long-term debt at December 31, 2024, consisted of CFC notes totaling \$494,358, a CoBank note in the amount of \$114,688, and RUS guaranteed FFB loans totaling \$362,178 (Note 4). The CFC, CoBank, RUS, and FFB debt is carried at amortized cost. We determined the fair value of debt utilizing a discounted cash flow model. Key inputs to the model included the weighted average term of the debt outstanding and market interest rates for similarly situated utility borrowers as of the balance sheet dates.

		2024		2023		
	_	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Long-term debt	\$	971,224	819,031	1,021,350	853,265	

# (10) Postretirement Benefits Other than Pensions

Big Rivers provides certain postretirement medical benefits for retired employees and their spouses. Generally, except for generation bargaining retirees, Big Rivers pays 85% of the premium cost for all retirees age 62 to 65. The Company pays 25% of the premium cost for spouses age 55 to 61. Beginning at age 65, the Company pays 25% of the premium cost if the retiree is enrolled in Medicare Part B. For each generation bargaining retiree, Big Rivers establishes a retiree medical account at retirement equal to \$1.40 per year of service up to 30 yearsThe account balance is credited with interest based on the 10-year treasury rate subject to a minimum of 2% and a maximum of 4%. The account is to be used for the sole purpose of paying the premium cost for the retiree and spouse.

Big Rivers revised the eligibility requirements for postretirement medical with regard to age and service. Beginning January 1, 2013, eligibility for retirement is age 62 with 10 years of service. The service requirement is waived for active employees on December 31, 2012, who will not have 10 years of service at age 62. The eligibility requirements for postretirement medical were revised on July 1, 2022, to remove the 10 years of service requirement. On November 24, 2023 the eligibility requirements were revised to include non-bargaining employees who retire at age 58.

The discount rates used in computing the postretirement benefit obligation and net periodic benefit cost were as follows:

	2024	2023
Discount rate – projected benefit obligation	5.63%	5.13%
Discount rate – net periodic benefit cost	5.13%/5.19%	5.39%/6.36%

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

The healthcare cost trend rate assumptions as of December 31, 2024 and 2023, were as follows:

	2024	2023	
Initial trend rate	7.35% / 7.68%	7.69% / 8.05%	
Ultimate trend rate	4.00	4.00	
Year ultimate trend is reached	2048	2048	

A one-percentage-point change in assumed healthcare cost trend rates would have the following effects:

		2024	2023
One-percentage-point decrease:	<b>c</b>	(440)	(70)
Effect on total service and interest cost components  Effect on year-end benefit obligation	\$	(112) (922)	(73) (933)
One-percentage-point increase:  Effect on total service and interest cost components	\$	136	88
Effect on year-end benefit obligation		1,087	1,108

A reconciliation of the Company's benefit obligations of its postretirement plan at December 31, 2024 and 2023, is as follows:

	2024	2023
Benefit obligation – beginning of period	\$ 11,750	10,404
Service cost – benefits earned during the period	495	320
Interest cost on projected benefit obligation	581	546
Participant contributions	519	511
Plan amendments / Special termination benefits	886	1,559
Benefits paid	(1,683)	(1,975)
Actuarial loss (gain)	(506)	385
Benefit obligation – end of period	\$ 12,042	11,750

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

A reconciliation of the Company's postretirement plan assets at December 31, 2024 and 2023, is as follows:

	 2024	2023
Fair value of plan assets – beginning of period	\$ _	_
Employer contributions	1,164	1,464
Participant contributions	519	511
Benefits paid	 (1,683)	(1,975)
Fair value of plan assets – end of period	\$ <u> </u>	

The funded status of the Company's postretirement plan at December 31, 2024 and 2023 is as follows:

	_	2024	2023
Benefit obligation – end of period Fair value of plan assets – end of period	\$	12,042	(11,750)
Funded status	\$_	12,042	(11,750)

The components of net periodic postretirement benefit costs for the years ended December 31, 2024 and 2023 were as follows:

	 2024	2023
Service cost	\$ 495	320
Interest cost	581	546
Amortization of prior service cost	82	(67)
Amortization of gain	(322)	(359)
Curtailment recognized		_
Special termination benefits	 	
Net periodic benefit cost	\$ 836	440

Notes to Financial Statements December 31, 2024 and 2023 (Dollars in thousands)

A reconciliation of the postretirement plan amounts in accumulated other comprehensive income at December 31, 2024 and 2023 is as follows:

	 2024	2023
Prior service credit	\$ (2,407)	(1,603)
Unamortized actuarial gain	 5,474	5,290
Accumulated other comprehensive income	\$ 3,067	3,687

The recognized adjustments to other comprehensive income (loss) at December 31, 2024 and 2023, are as follows:

	 2024	2023
Prior service cost	\$ (886)	(1,559)
Unamortized actuarial gain/(loss)	506	(385)
Amortization of net gain	 (240)	(426)
Other comprehensive income/(loss)	\$ (620)	(2,370)

At December 31, 2024 and 2023, amounts recognized in the balance sheets were as follows:

	 2024	2023
Accounts payable	\$ (1,125)	(1,312)
Deferred credits and other	 (10,917)	(10,438)
Net amount recognized	\$ (12,042)	(11,750)

Expected retiree benefit payments projected to be required during the years following 2024 are as follows:

	 Amount	
Year:		
2025	\$ 1,125	
2026	1,039	
2027	1,007	
2028	966	
2029	1,000	
Thereafter	 5,442	
Total	\$ 10,579	

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

In addition to the postretirement plan discussed above, Big Rivers has another postretirement benefit plan, which vests a portion of accrued sick leave benefits to salaried employees upon retirement or death. To the extent an employee's sick leave hour balance exceeds 480 hours, such excess hours are paid at 20% of the employee's base hourly rate at the time of retirement or death. The accumulated obligation recorded for the postretirement sick leave benefit is \$733 and \$771 at December 31, 2024 and 2023, respectively. The postretirement expense recorded was \$67 and \$74, for 2024 and 2023, respectively, and the benefits paid were \$105 and \$21 for 2024 and 2023, respectively.

# (11) Related Parties

For the years ended December 31, 2024 and 2023, Big Rivers had tariff sales to its members of \$321,497 and \$280,329, respectively. In addition, for the years ended December 31, 2024 and 2023, Big Rivers had certain sales to Kenergy for the Domtar Paper Co. load of \$879 and \$1,393, respectively.

At December 31, 2024 and 2023, Big Rivers had accounts receivable from its members of \$29,571 and \$28,564, respectively.

# (12) Commitments and Contingencies

Big Rivers is involved in ongoing litigation with the City of Henderson and the City of Henderson Utility Commission doing business as Henderson Municipal Power and Light (collectively, "HMP&L") in which Big Rivers is seeking damages from HMP&L relating to HMP&L's refusal to pay the costs associated with Excess Henderson Energy produced at Station Two. HMP&L has filed a counterclaim alleging that if HMP&L is required to pay the costs of the Excess Henderson Energy, it is entitled to an offset for the revenues related to that energy. In December 2017, Big Rivers and HMP&L entered into an agreement to settle all claims relating to Excess Henderson Energy. Under the settlement agreement, HMP&L agreed to be responsible for all costs related to Excess Henderson Energy generated after the effective date of the settlement agreement. Big Rivers does not dispute that HMP&L is entitled to the Excess Henderson Energy-related revenues after the payment date in the settlement agreement if it paid the costs of that energy.

On May 1, 2018, the contracts under which Big Rivers was operating Station Two terminated as a result of the Station Two units no longer being capable of the economically competitive production of electricity. To allow HMP&L time to make alternate arrangements for its power supply, Big Rivers continued to operate the units under the terms of the Station Two contracts until the units were retired on January 31, 2019. The termination of the Station Two contracts has given rise to disputes between the parties, including (i) a claim HMP&L has filed seeking amounts HMP&L claims it is owed as a result of the annual budget settlement process that occurred during the term of the Station Two contracts; (ii) a claim HMP&L filed seeking a declaratory judgment on the percentage owed by each party for the decommissioning and post-closure compliance costs for the Station Two Ash Pond; (iii) a separate action HMP&L filed seeking a declaratory order that the December 2017 settlement agreement only applies to some of the Excess Henderson Energy; and (iv) a proceeding Big Rivers filed with the KPSC to resolve all outstanding disputes between it and HMP&L arising out of the Station Two contracts (KSPC Case No. 2019-00269). HMP&L's claims relating to the annual budget settlement process, the Station Two Ash Pond, and the settlement agreement are being held in abeyance pending the outcome of the KPSC case and all appeals therefrom.

Notes to Financial Statements
December 31, 2024 and 2023
(Dollars in thousands)

On August 2, 2021, the KPSC entered a final order in Case No. 2019-00269, largely in Big Rivers' favor. HMP&L appealed that order to the Franklin Circuit Court. On September 29, 2021, Big Rivers filed a proceeding with the KPSC asking the KPSC to enforce its final order from Case No. 2019-00269. That proceeding, Case No. 2021-00378, is in abeyance pending the outcome of the Franklin Circuit Court case and appeals therefrom. On July 31, 2024, the Franklin Circuit Court issued its Opinion and Order affirming the January 5, 2018 and August 2, 2021, Orders of the KPSC. HMP&L has filed a Notice of Appeal of the Franklin Circuit Court Opinion and Order with the Kentucky Court of Appeals. That case is pending. The Company believes there will be no material adverse effect to its financial statements when the litigation and disputes with HMP&L are resolved.

Big Rivers is involved in other litigation arising in the normal course of business. While the results of such litigation cannot be predicted with certainty, management, based upon advice of counsel, believes that the final outcome will not have a material adverse effect on the financial statements.

# (13) Subsequent Events

Management evaluated subsequent events up to and including March 24, 2025, the date the financial statements were available to be issued.

## **BOARD OF DIRECTORS**

**Wayne Elliott,** Chair Jackson Purchase Energy Corporation

**Brent Wigginton,** Vice-Chair Kenergy Corp

**Paul Edd Butler,** Secretary Meade County RECC

**Erick Harris** 

Jackson Purchase Energy Corporation

Stephen Barr

Meade County RECC

**Robert White** 

Kenergy Corp

**Tyson Kamuf** 

Corporate Counsel

# SENIOR LEADERSHIP TEAM

# **Don Gulley**

President and CEO

**Amanda Jackson** 

**Executive Assistant** 

Mike Mizell

Chief Administrative Officer

Talina Mathews

Chief Financial Officer

**Manny Zeringue** 

Vice President Generation

**Chris Bradley** 

Vice President System Operations

**Terry Wright** 

Vice President Energy Services

**Derrick Miller** 

Vice President Member Services and Economic Development



2024 Big Rivers completed its first solar generation interconnection to Unbridled Solar, with the Engineering department designing and constructing the 161 kV infrastructure needed to bring the 160 MW solar facility online.

## **MEMBER-OWNERS**

# Jackson Purchase Energy Cooperative

# **Greg Grissom**

President and CEO

Serves

Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken counties

Headquartered

Paducah, Kentucky

**Number of Accounts** 

34,035

**Miles of Lines** 

2,999

# **Kenergy Corp**

## **Tim Lindahl**

President and CEO

#### Serves

Breckinridge, Caldwell, Crittenden, Daviess, Hancock, Henderson, Hopkins, Livingston, Lyon, McLean, Muhlenberg, Ohio, Union, and Webster counties

# Headquartered

Henderson, Kentucky

**Number of Accounts** 

59,887

**Miles of Lines** 

7,505

# Meade County Rural Electric Cooperative Corporation

## **Martin Littrel**

President and CEO

Serves

Breckinridge, Grayson, Hancock, Hardin, Meade, and Ohio Counties

Headquartered

Brandenburg, Kentucky

**Number of Accounts** 

31,657

**Miles of Lines** 

3,318





**Big Rivers Electric Corporation** 710 W 2nd Street Owensboro, KY 42301 www.bigrivers.com

