




STRONGER TOGETHER

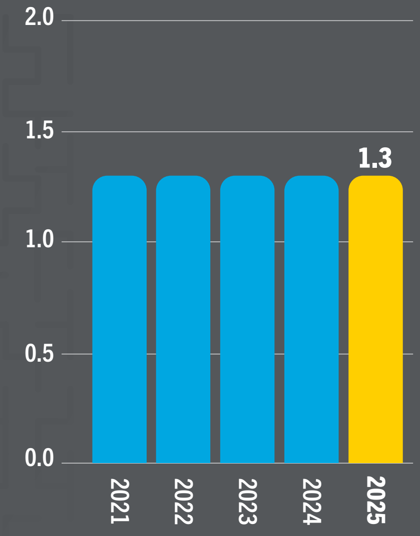
2025 Annual Report


Big Rivers
ELECTRIC CORPORATION

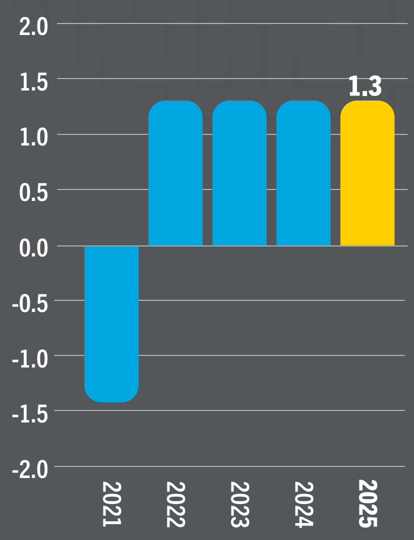
STRONGER TOGETHER

For over sixty years, Big Rivers has proven that we are stronger together—working side by side with our Member-Owners to deliver safe, reliable energy for Western Kentucky and to build a future that powers us all.

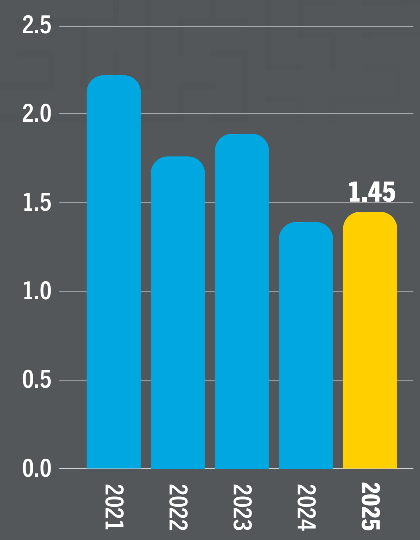
Margins for Interest Ratio (MFIR)



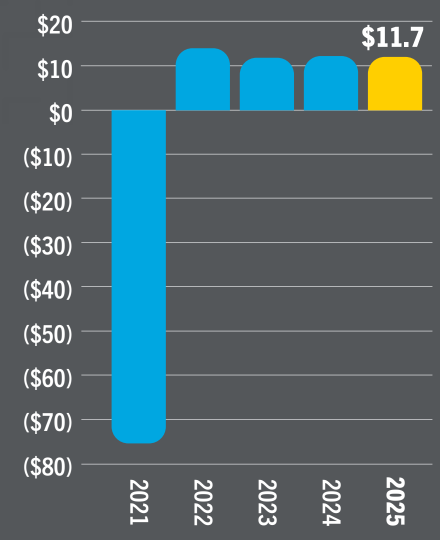
Times Interest Earned Ratio* (TIER)



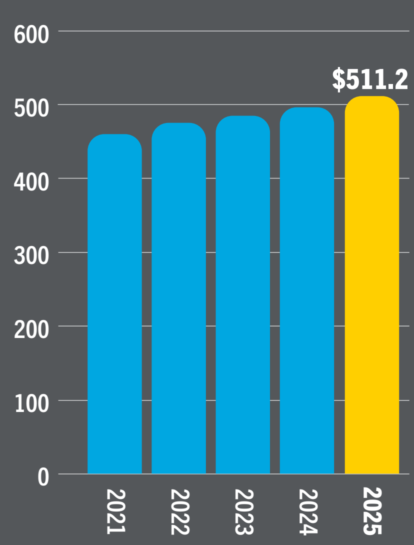
Debt Service Coverage Ratio (DSCR)



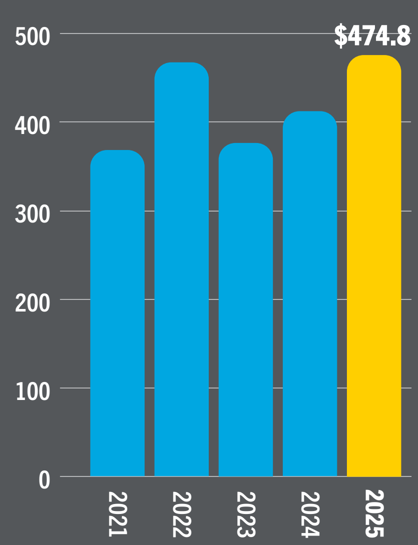
Net Margin
(dollars in millions)



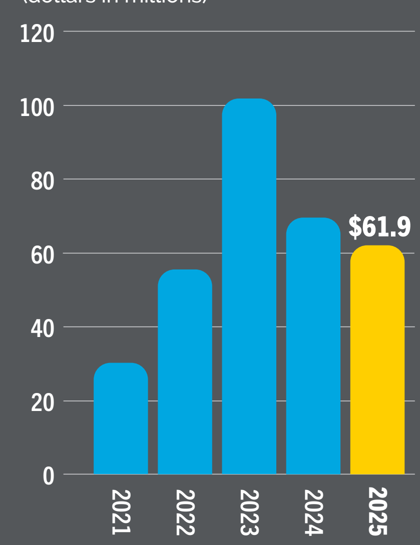
Equity
(dollars in millions)



Electric Energy Revenue
(dollars in millions)



Cash, Cash Equivalents & Short-Term Investments
(dollars in millions)



* The negative TIER in 2021 is due to the voluntary one-time usage of equity to reduce regulatory assets.

ABOUT BIG RIVERS

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 871 MW of generating capacity from two power stations: Robert D. Green (454 MW) and D.B. Wilson (417 MW). The total power capacity is 1,209 MW, including contracted capacity from the Southeastern Power Administration (SEPA) and Unbridled Solar. 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.

Today, the three Member-Owners of Big Rivers serve more than 120,000 members in 22 Western Kentucky counties.

- Big Rivers Headquarters
- Jackson Purchase Energy Cooperative
- Kenergy Corp
- Meade County Rural Electric Cooperative Corporation
- TOC Transmission Operations Center
- S Sebree Station (Green Station 1 and 2)
- W Wilson Station

In 2025, net margins exceeded $20 million (pre TIER credit), with $3.3 million allocated for 2026 Member bill credits.

CEO AND BOARD CHAIR LETTER

For more than sixty years, Big Rivers Electric Corporation has embodied the principle that we are Stronger Together. Big Rivers grew out of a shared vision for the future of Western Kentucky. When rural communities first embraced the cooperative model in the late 1930s, they understood that progress would come from joining forces. By 1961, the first Member-Owner cooperatives united once again, forming Big Rivers Electric Corporation to ensure a dependable local power supply built on cooperation and shared purpose. Today, Big Rivers and its three Member-Owners—Jackson Purchase Energy Cooperative, Kenergy Corp, and Meade County Rural Electric Cooperative Corporation—provide electricity to more than 120,000 homes and businesses.

In 2025, this cooperative partnership would take another collaborative step forward. The Member-Owners and Big Rivers renewed the vision for the coming decades, with all cooperatives signing on to a new wholesale power agreement until 2061. This contract runs up to Big Rivers' 100th anniversary and provides a long runway to prepare and build the generation and transmission resources needed for Western Kentucky's future. In addition, every five years, the simplified contract automatically extends for an additional five years, and allows Big Rivers and the Member-Owners to adjust to this rapidly changing industry while safely delivering competitive, reliable electricity to the region.

Safety has always been a cooperative value we uphold alongside our Member-Owners. Employee-led initiatives and teamwork have shaped the strong safety culture for several decades. In 2025, Big Rivers once again added new Governor's Safety and Health Awards, with both Transmission and Green Station receiving recognition. Our safety culture has often been celebrated by records and awards for low-injury years. However, Big Rivers is seeking to push safety beyond results. New safety tools were expanded in 2025 to help locations track progress on the training and actions that help prevent accidents. The Big Rivers team also worked with location managers to develop a set of basic rules to streamline safety practices across different sites. Safety is foundational to protecting Big Rivers' most valuable assets—the 300 people who work here. In 2025, Big Rivers administered a culture survey to all employees, using the feedback to roll out the first steps in an extensive culture reshaping effort and to develop a new employee rewards and recognition program.

Since the foundation, Big Rivers has existed to provide reliable, affordable power—an effort driven by collaboration across teams and the Member-Owners. Generation began with a single, coal-fired plant in the 1960s. As financial and environmental challenges emerged, Big Rivers and its Member-Owners moved to diversify resources and ensure financial stability. In 2025, Big Rivers worked diligently to maintain its valuable generation assets and prepare for future operations, successfully completing a turbine overhaul at Green Station, quickly onboarding 20 new employees for Wilson Station, and seeking out opportunities to extend unit life. Big Rivers continues to prioritize strategic resource management and sound financial management. In 2025, net margins exceeded $20 million (pre TIER credit), with $3.3 million allocated for 2026 Member bill credits. In addition, Moody's reaffirmed Big Rivers stable investment-grade credit rating in January 2025. Together with our Member-Owners, we strive to advance operational excellence and financial well-being for the cooperative and the communities we serve.

Reliability and innovation remain some of the cooperative's greatest shared achievements. Weather proved to be a significant challenge for Western Kentucky, with four tornadoes and an extended ice storm impacting the service territory in 2025. While the regional grid continues to grapple with an increasing risk for large-scale energy shortages, Big Rivers is strengthening system reliability through facility and technology upgrades. In 2025, Big Rivers employees completed the transition to the new Transmission Operations Center in Owensboro and received certification by SERC. This modern facility is more resilient, with a tornado-resistant energy control center and indoor space to protect transmission repair and maintenance equipment from the elements. The 2025 move to the Transmission Operations Center required a complex corporate data relocation effort, which was carefully managed with no unplanned downtime or integrity loss. Innovative technology is also taking on a greater role in the system's infrastructure and in the field. In 2025, Big Rivers' Right-of-Way department expanded the use of a satellite AI program designed to better identify dead or dying trees for removal.

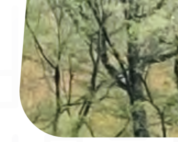
Nothing reflects the spirit of collaboration more deeply than concern for the community. In 2025, Big Rivers revamped community giving, better coordinating between the Member-Owners to widen impact and targeting programs centered on education, veterans, critical services, and first responders. Beyond community support, the Big Rivers and Member-Owner economic development teams work together to support regional growth. Like many regions, our service territory experienced a sharp increase in requests to serve some of the largest electrical industrial prospects, including data centers and cryptocurrency mining. In 2025, Big Rivers developed special large-load rate structures and contracts to protect members from financial and reliability risks while still bringing significant community benefits. With the wholesale power agreement now extended to 2061, Big Rivers began a multi-year effort to review and enhance shared services among the cooperatives, aiming to improve operational efficiency and leverage volume discounts.

Big Rivers and its Member-Owners remain united in purpose and committed to the communities we serve. By embracing collaboration, investing in people, and preparing for future challenges, Big Rivers is strengthening the region and the cooperative network that defines it. Safe, reliable, and affordable power remains the heart of the mission—but now, more than ever, we recognize that success comes when we move forward **Stronger Together**.

Don Gulley
President & CEO

Erick Harris
Chair, Board of Directors

STRENGTH BEGINS WITH SAFETY. IT GROWS WITH PEOPLE.



Whether we are strengthening safety practices or shaping our culture, Big Rivers' progress is rooted in the same belief: we achieve more when we work as one. Safety is foundational at Big Rivers, with a long history of collaborative safety practices. In the early days, people recognized the need for Big Rivers management and the union workforce to work together to promote ownership. They wanted to create a workplace where people took care of themselves and looked out for their coworkers. That ownership paid off, and Big Rivers often excels in safety metrics. In 2025, two Big Rivers locations, Transmission and Green Station, earned the company's 61th and 62nd Governor's Safety and Health Awards.

Big Rivers' view of safety and accident prevention has begun to shift. Success has often been based on the number of injuries at year-end. In 2025, the Big Rivers Safety department continued to expand a new leading indicators safety program that seeks to better track the actions that prevent accidents before they happen. A digital dashboard developed with location managers now provides easy-to-use metrics on employee training, work orders, and site audits. The team also developed safety "Rules to Live By," a set of basic and consistent safety rules that employees should know and understand at each location. In addition, Big Rivers continues to offer the high-voltage demonstration trailer to educate everyone from students to first responders on electrical safety and allow cooperative linemen from across Western Kentucky to train on safe tree removal at Wilson Station.

Beyond a safe workplace, Big Rivers is building a stronger workplace culture. In 2025, Big Rivers and Transmission successfully negotiated a new five-year labor contract. Big Rivers also hosted its first Organizational Culture Assessment in May 2025, achieving an impressive 80% participation rate. Employees across the company provided meaningful feedback, and management held meetings at every location to review themes, answer questions, and gather additional insights. This feedback continues to guide meaningful improvements. Several initiatives are underway, including enhancements to employee benefits and the development of a rewards and recognition program. Guided by the assessment results, Big Rivers also introduced new Culture Imperatives and launched a **Culture by Design** framework, with culture unfreezing sessions for all employees beginning in 2026. Big Rivers remains focused on advancing culture efforts to support employee engagement, leadership development, and long-term organizational success.

Big Rivers offers electrical safety training to students, first responders, and the community.

Two Big Rivers locations, Transmission and Green Station, earned the company's **61th and 62nd Governor's Safety Award.**

2025 SAFETY MILESTONES

Green Station employees completed **three years** without a recordable incident and **three years** without a lost-time incident in 2025.

Transmission employees worked **1,000,000 hours** without a lost-time incident, and Green Station employees worked **250,000 hours** without a lost-time incident in 2025.

Headquarters employees completed **nine years** without a recordable incident and **14 years** without a lost-time incident in 2025.

Big Rivers holds **62 Governor's Safety and Health Awards**. Green Station received an award in May 2025, and Transmission received an award in June 2025.

Transmission employees completed **15 years** without a lost-time incident in 2025.

A wholesale power contract stretching for another **25 years** provides greater stability to research and build future infrastructure and generation projects.

VALUABLE GENERATION RESOURCES AND STRONG FINANCIALS FUEL OUR FUTURE.

CREDIT RATINGS

Fitch	BBB Stable
Moody's	Baa2 Stable
S&P	BBB Stable

Since its inception as a generation and transmission (G&T) cooperative, Big Rivers has been committed to delivering reliable and competitive wholesale power for the Member-Owners. The journey to a reliable power generation portfolio began with a single unit in the 1960s. Technology evolved, and new regulations were unveiled. In response, Big Rivers and its Member-Owners have steadily diversified resources and reinforced long-term financial stability. Today, the Big Rivers power portfolio follows an all-of-the-above approach, featuring generation from coal, natural gas, hydropower, and solar.

In 2025, Big Rivers focused on preserving its essential generation assets and preparing for future operations. One significant accomplishment was an on-time, on-budget outage and turbine overhaul at Green Station 1. Other power plant upgrades include new gas flow meters on both Green Station units, designed to improve accuracy in gas usage and billing. In 2025, the Wilson Station workforce experienced a significant shift, with several employees retiring or transferring to other locations. Wilson Station successfully onboarded 20 new employees for the power plant, while fuel yard staffing increased by 25% in 2025 to accommodate a growing workload and prepare for retirements expected within the next five years. The Big Rivers Generation department continues to plan and complete critical maintenance projects to extend valuable unit life while analyzing future generation options to improve reliability. Now, more than ever, Big Rivers must protect the valuable generation assets and infrastructure needed to serve our members. Currently, both the coldest and hottest weeks are associated with an increasing number of Midcontinent Independent System Operator (MISO) generation alerts, as the entire Midwest region struggles with a shrinking power supply. The demand for power in the U.S. continues to rise, along with the system strain caused by early power plant retirements and long waits for new generation.

In everything, Big Rivers must carefully prioritize strategic resource planning and sound financial management. Net margins for 2025 exceeded $20 million (pre-TIER credit), with $3.3 million designated for 2026 Member bill credits. Moody's reaffirmed the cooperative's stable, investment-grade credit rating in January 2025, underscoring its strong financial position. Big Rivers and the Member-Owners devoted significant time in 2025 to discussing and learning about opportunities to extend the existing wholesale power contracts, culminating in a new contract signed in December that will run up to 2061. A wholesale power contract stretching for another 25 years provides greater stability to research and build future infrastructure and generation projects. Together with our Member-Owners, Big Rivers remains focused on advancing operational excellence and supporting the long-term economic well-being of the cooperative and the communities we serve.

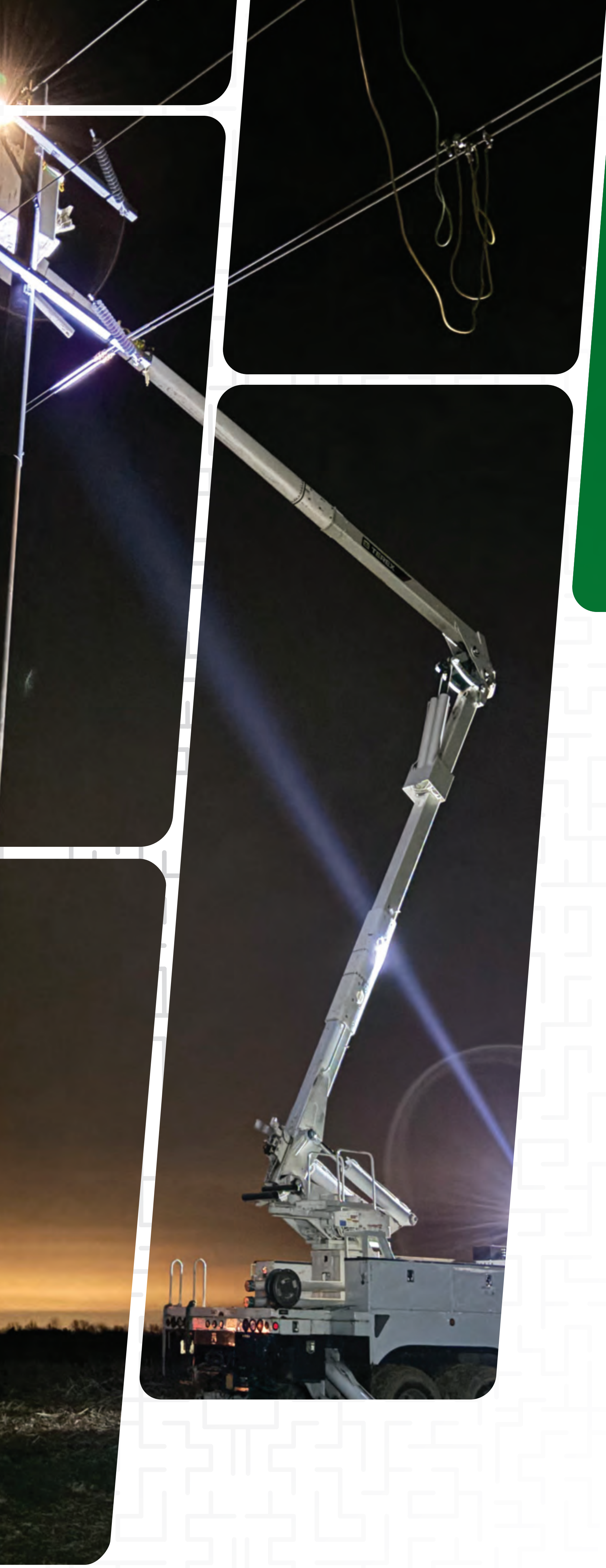
RELIABILITY KEEPS THE LIGHTS ON. INNOVATION KEEPS THE FUTURE BRIGHT.

Reliability is one of the clearest expressions of our unity, especially as we strengthened the systems that keep our cooperative transmission system resilient. In 2025, Big Rivers took a major step forward in technology and collaboration by bringing Lines, Substation, Engineering, Procurement, and Information Technology employees together into a single, state-of-the-art facility. The Transmission Operations Center opened in summer 2025, with a 100,000-square-foot building designed to improve system operations daily and during the harshest weather. The construction and moving process required a complex, multiyear strategic effort supported by several departments. The Information Technology department undertook the high-stakes relocation of the Big Rivers corporate data center to the Transmission Operations Center, achieving a transition with no unplanned downtime and 100% data integrity. Now, teams that work closely on maintenance, storm repair, and industrial development efficiently work from nearby offices. The building itself also improves reliable service and quick response to our Member-Owners, with covered and heated space for repair equipment and a reinforced energy control room designed to withstand tornadoes and severe weather. In November 2025, SERC conducted an in-person and virtual re-certification review of the new control room and issued the preliminary approval for operations.

This year's weather tested the strength of the Big Rivers transmission system. A severe ice storm impacted the early weeks of January, with sub-freezing temperatures extending for more than a week. Fortunately, the system was spared from significant outages. Big Rivers and the Member-Owners worked together to access difficult terrain and quickly repair ice-covered equipment. Spring and summer would bring additional rounds of both natural and human-caused damage. Four confirmed tornadoes, two in the Jackson Purchase Energy region and two in the Kenergy region, would cross the system. The Lines department also faced a busy year restoring power due to abnormal contact from agricultural helicopters and drones, as well as outages caused by construction and farming equipment.

Big Rivers focuses year-round on strategies to harden the system against the effects of weather and time. Some improvements include an expedited pole replacement project, relay upgrades to improve reliability for the Member-Owners, the addition of an emergency generator for Marion, and the conversion of radio-controlled switches to fiber. Big Rivers is also expanding the use of advanced technology to safely improve the right-of-way. In 2025, a satellite program, known as AiDash, flagged more than 100 dead or dying trees in the Kenergy territory, while a helicopter grapple saw removed 151 previously identified hazards in the Meade County RECC territory. Combined with ground efforts, Big Rivers reclaimed 102 miles of line back to right-of-way width.

100 dead or dying trees in the Kenergy territory and **151** previously identified hazards in the Meade County RECC territory were flagged through a new satellite program used to safely improve the right-of-way.



Weather tested the Big Rivers power system in 2025, with both ice and tornadoes impacting the service territory. New technology is helping target outage risks and prepare for future storms.

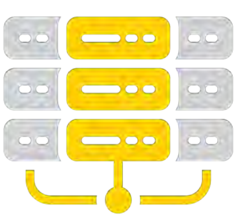
The Transmission Operations Center opened in summer 2025, bringing Lines, Substation, Engineering, Energy Control, and IT employees together in a modern facility designed to withstand severe weather.

Big Rivers is partnering with our Member-Owners to make Western Kentucky a better place to work and live. In 2025, community giving and employee volunteering focused on education, veterans, first responders, and critical services.

FOCUSED ON COMMUNITY. CONNECTED TO INDUSTRY.

Concern for the community is a foundational cooperative principle, strengthened by collaboration among Big Rivers and its Member-Owners to make Western Kentucky a better place to live and work. In 2025, Big Rivers refocused its funding efforts on programs that impact education, veterans, first responders, and critical community resources. When possible, Big Rivers supported causes and events already backed by the Member-Owners, boosting impact for the cooperatives and the community. Beyond this year's corporate support, our employees generously donated and volunteered their time by collecting supplies for food banks, building furniture for community homes, and providing toys for Christmas.

Big Rivers continues to work side by side with communities and industries across Western Kentucky, supporting economic growth through reliable energy and infrastructure. Recent years have been marked by the arrival of new industries, including the NUCOR steel mill in Brandenburg, Pratt Paper's $500 million facility in Henderson, and the Block Mining center in Paducah. Economic development activity is now shifting to new technology. Within the past couple of years, interest from potential data centers and artificial intelligence (AI) facilities has skyrocketed. Nearly half of all Requests for Information (RFIs) received by Big Rivers in 2025 originated from data center projects. These centers need substantial energy and advanced infrastructure to operate, and companies are scanning the country for locations that meet those requirements. While opportunities and system benefits exist, Big Rivers is taking a careful and balanced approach to data center development. In 2025, Big Rivers developed special data center rate structures and contracts to protect members against higher energy costs and reliability issues while still delivering significant value.



18 RFI'S FOR DATA CENTERS IN 2025

Efforts to better harness shared services between Big Rivers and the Member-Owners expanded in 2025. A Member Technical Services team formed with employees designated to roll out advanced programs that will utilize control of the electric system during peak times and extreme weather events. Big Rivers also began a multi-year initiative to rethink opportunities that benefit the entire cooperative system through operational efficiencies, volume discounts, and safety enhancements. Big Rivers' specialized, highly trained workforce successfully operates the Generation and Transmission company, with support from Accounting, Human Resources, Communications, Engineering, Environmental, and many other critical roles. Monthly employee and cooperative leadership meetings seek to identify opportunities to share specialized Big Rivers employee or program support among the Member-Owners and improve effectiveness.

ECONOMIC DEVELOPMENT ACTIVITY AND POTENTIAL INVESTMENT

(Non-Data Center Project Requests)

	2021	2022	2023	2024	2025
RFI's	73	71	48	39	22
Capital investment	$29.1B	$38.5B	$45.1B	$16.5B	$9.8B
Jobs	26,123	41,697	27,705	6,409	18,034
MW's	4,657	5,214	6,110	2,913	798

As of December 31, 2025 and the Four Preceding Years Unaudited
(Dollars in Thousands)

SUMMARY OF OPERATIONS	2025	2024	2023	2022	2021
Operating Revenue:					
Electric Energy Revenue	$ 474,794	$ 412,807	$ 376,497	$ 468,065	$ 368,650
Other Operating Revenue and Income	23,073	20,777	18,703	22,283	24,494
Total Operating Revenue	497,867	433,584	395,200	490,348	393,144
Operating Expenses:					
Fuel for Electric Generation	105,785	88,183	75,899	125,354	130,019
Power Purchased	143,291	111,253	84,132	131,733	37,436
Operations (Excluding Fuel), Maintenance and Other	120,572	116,425	105,995	108,620	113,762
Depreciation	79,823	73,533	87,142	72,465	172,136
Total Operating Expenses	449,471	389,394	353,168	438,172	453,353
Interest Expense and Other:					
Interest	37,157	37,622	36,289	41,267	28,575
Other-Net	4,592	1,264	644	592	684
Total Interest Expense and Other	41,749	38,886	36,933	41,859	29,259
Operating Margin	6,647	5,304	5,099	10,317	(89,468)
Non-Operating Margin	5,088	7,044	6,793	3,710	14,072
Net Margin (Loss)	$ 11,735	$ 12,348	$ 11,892	$ 14,027	$ (75,396)
SUMMARY OF BALANCE SHEET					
Total Utility Plant	$ 2,175,834	$ 2,235,130	$ 2,112,076	$ 2,061,715	$ 2,059,963
Accumulated Depreciation	1,120,875	1,141,238	1,094,315	1,095,847	1,151,975
Net Utility Plant[1]	1,054,959	1,093,892	1,017,761	965,868	907,988
Cash and Cash Equivalents	59,028	66,721	23,541	50,027	29,913
Short-Term Investments	2,834	3,228	78,061	5,420	352
Other Assets	506,909	489,747	535,244	568,412	486,772
Total Assets	$ 1,623,730	$ 1,653,588	$ 1,654,607	$ 1,589,727	$ 1,425,025
Equities:	$ 511,171	$ 497,121	$ 485,381	$ 475,667	$ 460,226
Long-Term Debt[2]	913,847	964,441	1,014,328	894,149	697,294
Line of Credit	-	-	-	25,000	60,000
Regulatory Liabilities—Member Rate Mitigation and TIER Credit	20,678	19,355	37,152	38,277	53,543
Asset Retirement Obligations	89,771	85,456	43,520	69,267	72,760
Other Liabilities and Deferred Credits	88,263	87,215	74,226	87,367	81,202
Total Liabilities and Equity	$ 1,623,730	$ 1,653,588	$ 1,654,607	$ 1,589,727	$ 1,425,025
ENERGY SALES (MWh)					
Member Rural	2,268,162	2,179,588	2,098,136	2,268,701	2,219,103
Member Large Industrial	2,003,645	1,811,085	1,350,614	919,426	781,628
Other	2,201,434	2,038,761	1,837,685	2,329,312	3,571,299
Total Energy Sales (MWh)	6,473,241	6,029,434	5,286,435	5,517,439	6,572,030
SOURCES OF ENERGY (MWh)					
Generated	3,051,026	3,195,863	3,047,509	3,121,412	5,443,411
Purchased	3,450,519	2,886,513	2,287,089	2,481,549	1,214,634
Losses and Net Interchange	(28,304)	(52,942)	(48,163)	(85,522)	(86,015)
Total Energy Available (MWh)	6,473,214	6,029,434	5,286,435	5,517,439	6,572,030
NET CAPACITY (MW)					
Net Generating Capacity Owned	871	936	936	936	936
Other Net Capacity Available	178	178	178	178	178
Total Net Capacity (MW)	1,049	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
Times Interest Earned Ratio (TIER)[3]	1.30	1.30	1.30	1.30	(1.41)
Debt Service Coverage Ratio (DSCR)	1.45	1.39	1.89	1.76	2.22

[1]Includes intangible plant.
[2]Includes current maturities of long-term obligations.
[3]The negative TIER in 2021 is due to the voluntary one-time usage of equity to reduce regulatory assets.

KPMG

BIG RIVERS ELECTRIC CORPORATION

Financial Statements

December 31, 2025 and 2024

(With Independent Auditors' Report Thereon)

KPMG LLP
811 Main Street
Houston, TX 77002

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 (the Entity), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, comprehensive income, equities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2025 and 2024, and the changes in its equities and its cash flows for the years then ended 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 the Entity 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 the Entity's ability to continue as a going concern for one year after the date the financial statements are available to be 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.

KPMG

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 the Entity'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 the Entity'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 23, 2026 on our consideration of the Entity's internal control over financial reporting and on our tests 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 the Entity'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 the Entity's internal control over financial reporting and compliance.

KPMG LLP

Houston, Texas
March 23, 2026

BIG RIVERS ELECTRIC CORPORATION

Balance Sheets

December 31, 2025 and 2024

(Dollars in thousands)

Assets		**2025**	**2024**
Utility plant – net	$	1,030,538	1,070,310
Intangible plant		24,421	23,582
Other deposits and investments		26,311	25,191
Current assets:			
Cash and cash equivalents		59,028	66,721
Short-term investments		2,834	3,228
Accounts receivable		62,837	52,605
Fuel inventory		20,214	29,442
Nonfuel inventory		24,163	18,732
Prepaid expenses and other assets		1,083	1,955
Total current assets		170,159	172,683
Deferred charges and other assets:			
Regulatory assets		361,912	353,405
Long-term accounts receivable		543	1,791
Deferred charges and other		9,846	6,626
Total deferred charges and other assets		372,301	361,822
Total	$	1,623,730	1,653,588
Equities and Liabilities			
Capitalization:			
Equities	$	511,171	497,121
Long-term debt		857,199	913,705
Total capitalization		1,368,370	1,410,826
Current liabilities:			
Current maturities of long-term obligations		56,648	50,736
Purchased power payable		12,879	14,174
Accounts payable		29,925	32,566
Accrued expenses		7,692	7,296
Accrued interest		526	585
Regulatory liabilities – member rate mitigation		3,035	2,550
Total current liabilities		110,705	107,907
Deferred credits and other:			
Regulatory liabilities – member rate mitigation		276	232
Regulatory liabilities – TIER credit		17,367	16,573
Asset retirement obligations		89,771	85,456
Deferred credits and other		37,241	32,594
Total deferred credits and other		144,655	134,855
Commitments and contingencies (note 12)			
Total	$	1,623,730	1,653,588

See accompanying notes to financial statements.

BIG RIVERS ELECTRIC CORPORATION

Statements of Operations

Years ended December 31, 2025 and 2024

(Dollars in thousands)

		2025	2024
Operating revenue	$	497,867	433,584
Total operating revenue		497,867	433,584
Operating expenses:			
Operations:			
Fuel for electric generation		105,785	88,183
Power purchased and interchanged		143,291	111,253
Production, excluding fuel		33,451	31,460
Transmission and other		38,726	42,648
Maintenance		48,395	42,317
Depreciation and amortization		79,823	73,533
Total operating expenses		449,471	389,394
Electric operating margin		48,396	44,190
Interest expense and other:			
Interest		37,157	37,622
Income tax benefit		—	—
Other – net		4,592	1,264
Total interest expense and other		41,749	38,886
Operating margin		6,647	5,304
Nonoperating margin:			
Interest income and other		5,088	7,044
Total nonoperating margin		5,088	7,044
Net margin	$	11,735	12,348

See accompanying notes to financial statements.

BIG RIVERS ELECTRIC CORPORATION

Statements of Comprehensive Income

Years ended December 31, 2025 and 2024

(Dollars in thousands)

		2025	2024
Net margin	$	11,735	12,348
Other comprehensive income (loss):			
Defined-benefit plans:			
Actuarial loss		(525)	(220)
Amortization of loss		2,684	232
Defined-benefit plans		2,159	12
Postretirement benefits other than pensions:			
Prior service cost		—	(886)
Actuarial gain		269	506
Amortization of gain		(113)	(240)
Postretirement benefits other than pensions		156	(620)
Other comprehensive income (loss)		2,315	(608)
Comprehensive income	$	14,050	11,740

See accompanying notes to financial statements.

BIG RIVERS ELECTRIC CORPORATION

Statements of Equities

Years ended December 31, 2025 and 2024

(Dollars in thousands)

		Retained margin	Other equities: Donated capital and memberships	Other equities: Consumers' contributions to debt service	Accumulated other comprehensive income	Total equities
Balance – December 31, 2023	$	479,463	764	3,681	1,473	485,381
Net margin		12,348	—	—	—	12,348
Pension and postretirement benefit plans		—	—	—	(608)	(608)
Balance – December 31, 2024		491,811	764	3,681	865	497,121
Net margin		11,735	—	—	—	11,735
Pension and postretirement benefit plans		—	—	—	2,315	2,315
Balance – December 31, 2025	$	503,546	764	3,681	3,180	511,171

See accompanying notes to financial statements.

BIG RIVERS ELECTRIC CORPORATION

Statements of Cash Flows

Years ended December 31, 2025 and 2024

(Dollars in thousands)

		2025	2024
Cash flows from operating activities:			
Net margin	$	11,735	12,348
Adjustments to reconcile net margin (loss) to net cash provided by operating activities:			
Depreciation expense for utility plant		51,669	50,898
Amortization expense for regulatory assets		27,833	22,314
Amortization expense for intangible assets		321	321
Interest income compounded – RUS Cushion of Credit (advance payments unapplied)		(165)	(207)
Noncash Non-Fuel Adjustment Clause Purchased Power Agreement		(11,906)	4,861
Net periodic benefit cost		3,828	1,045
Noncash lease expense		817	—
Changes in certain assets and liabilities:			
Accounts receivable		(8,984)	836
Fuel and nonfuel inventory		3,797	9,414
Prepaid expenses and other		872	1,427
Deferred charges		(2,249)	(408)
Purchased power payable		(1,295)	6,020
Accounts payable		4,029	1,266
Accrued expenses		337	(4,894)
ARO obligations settled		(2,839)	(23,064)
Pension plan contributions		(2,107)	(1,265)
Other liabilities		5,926	7,977
Other – net		3,397	5,358
Net cash provided by operating activities		85,016	94,247
Cash flows from investing activities:			
Capital expenditures		(38,980)	(73,504)
Proceeds from restricted investments and deposits		1,143	1,078
Purchases of restricted investments and other deposits and investments		(3,566)	(3,348)
Gross Proceeds of short-term investments		6,590	81,003
Gross Purchases of short-term investments		(6,196)	(6,170)
Net cash used in investing activities		(41,009)	(941)
Cash flows from financing activities:			
Principal payments on long-term obligations		(50,736)	(50,126)
Payments of debt issuance costs		(147)	—
Principal payments on capital lease obligations		(817)	—
Net cash used in financing activities		(51,700)	(50,126)
Net increase (decrease) in cash and cash equivalents		(7,693)	43,180
Cash and cash equivalents – beginning of year		66,721	23,541
Cash and cash equivalents – end of year	$	59,028	66,721
Supplemental cash flow information:			
Cash paid for interest	$	39,175	43,418
Cash paid for income taxes		—	1
Supplemental schedule of non-cash financing and investing activities:			
Change in regulatory assets associated with asset retirement obligations	$	13,775	8,446
Change in regulatory assets associated with utility plant		(15,640)	(32,782)
Change in deferred charges associated with asset retirement obligations		5,304	—
Purchases of utility plant in accounts payable		(7,034)	(3,053)
Purchase of right of use capital lease		498	5,285

See accompanying notes to financial statements.

(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 required 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 originally set to expire on December 31, 2043, were extended in 2025 and will remain in effect until December 31, 2061. 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.

Concentration of Risk

Big Rivers derives a significant portion of its revenues from wholesale power sales to its member distribution cooperatives and from transactions within the MISO energy markets. As a result, the Company is exposed to credit risk associated with a limited number of counterparties.

In addition, the Company's operations and rates are subject to oversight by governmental and regulatory authorities. Changes in regulatory decisions or market conditions could impact the Company's financial condition, results of operations, or cash flows.

Tariff

The Company does not directly import tariff-affected materials, and management determined that the existing tariff environment did not have a material effect on the Company's financial position, results of operations, or cash flows for the year ended December 31, 2025. To the extent tariffs contribute to higher costs for utility plant additions, such costs are capitalized in accordance with applicable accounting requirements and are expected to be recoverable through rates over the useful lives of the related assets.

Reclassifications

Certain amounts on our Statements of Cash Flows have been reclassified to conform to the current year presentation.

(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 amortization of regulatory assets, 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

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company applies the guidance in ASC 606 to portfolios of contracts with similar characteristics, as the effects do not differ materially from applying the guidance to individual contracts.

Wholesale Power Supply Agreements with Member Distribution Cooperatives

The Company's primary source of revenue is derived from wholesale power supply agreements with its member cooperatives. Under these agreements, the Company provides electric energy and related services necessary to meet the members' power requirements.

Each wholesale power supply agreement represents a contract with a customer under ASC 606. The Company's performance obligation under these agreements is the continuous delivery of electricity, which represents a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. Electricity is transferred to, and simultaneously consumed by, the member cooperatives as it is delivered.

Because the member cooperatives receive and consume the benefits of electricity as it is delivered, the Company satisfies its performance obligation over time. Revenue is recognized using an output method, based on the quantity of electricity delivered, as measured by monthly meter readings.

The transaction price for wholesale power sales is determined in accordance with the applicable power supply agreements and related rate schedules, which may include energy charges, demand charges, capacity charges, and other billable components. Revenue is recognized in the period in which electricity is delivered and the related performance obligation is satisfied.

Capacity and Demand-Related Revenues

Capacity and demand-related revenues represent consideration for the Company's obligation to make generation capacity and system capability available to member cooperatives or other counterparties over a specified period.

The performance obligation associated with capacity and demand services is satisfied over time, as the Company stands ready to provide capacity throughout the contractual period. Revenue is recognized ratably over the period in which capacity is made available, consistent with the contractual terms.

Sales into the MISO Energy Markets

The Company also participates in the MISO energy markets and sells electricity generated from its resources into those markets.

Sales into the MISO markets are accounted for as contracts with customers under ASC 606. The Company's performance obligation is satisfied at the point in time when electricity is delivered into the MISO system. Control of the electricity transfers upon delivery, and revenue is recognized based on the megawatt hours delivered in each hour multiplied by the applicable market-clearing price for that hour.

Consideration for MISO sales is variable due to hourly market pricing. Variable consideration is recognized in the period in which the electricity is delivered, as the market price directly corresponds with the value of the electricity transferred to the customer.

Contract Assets and Contract Liabilities

The Company evaluates its contracts with customers to determine whether a contract asset or contract liability should be recognized in accordance with ASC 606.

The Company does not typically recognize contract assets related to wholesale power sales, as its right to consideration becomes unconditional upon the delivery of electricity and the determination of amounts due based on metered usage. Amounts billed or billable for electricity delivered but not yet collected are recorded as accounts receivable.

The Company also does not generally recognize contract liabilities, as consideration is not received in advance of the satisfaction of its performance obligations. Revenues are recognized as electricity is delivered or as capacity is made available in accordance with contractual terms.

Contract assets and contract liabilities, if any, are not material to the Company's financial statements.

(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 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:

(Dollars in thousands)

Electric plant	0.35%–25.38%
Transmission plant	1.36%–2.29%
General plant	3.76%–9.88%

For 2025 and 2024, the average composite depreciation rates were 3.27% and 2.97%, 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 2025 and 2024, 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 2025 and 2024, 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.

The Company has completed reliability projects in the amount of $7,024, which were transferred to LG&E in accordance with the resolution. There were no additions to intangible plant related to this resolution during 2025 or 2024. Amortization expense of $161 was recorded in both 2025 and 2024 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 2025 or 2024.

(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 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, 2027, and February 8, 2028, respectively. As such, the Company have not recorded any AROs 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 May 9, 2024 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.

(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.

(l) 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, 2025, the total due from the customer was $3,139, with $543 recorded as long-term accounts receivable and $2,596 recorded in accounts receivable. 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, 2025 or 2024.

(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.

(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 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 finance 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 $13,367 and $13,639 at December 31, 2025 and 2024, respectively. Reimbursable projects amounted to $17,001 and $14,311 at December 31, 2025 and 2024, respectively. Obligations under finance lease amounted to $3,815 and $4,571 at December 31, 2025 and 2024, respectively. Deferred capacity revenue, which will be recognized within the next year, amounted to $3,058 and $73 at December 31, 2025 and 2024, respectively.

The Company accounts for leases in accordance with ASC 842, *Leases*. The Company determines whether an arrangement contains a lease at inception by evaluating whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Substantially all leases are classified as finance leases. The Company has elected the short-term lease exemption for leases with an initial term of twelve months or less; accordingly, lease payments for such leases are recognized as expense on a straight-line basis over the lease term and are not recorded on the balance sheet.

(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 evaluating the impact of adopting the guidance on its financial statements.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets.* This ASU provides a practical expedient that permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of certain current accounts receivable and contract assets. In addition, the ASU allows an entity, other than a public business entity, that elects the practical expedient to make an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses. The guidance is effective for interim and annual periods beginning after December 15, 2025 and is to be adopted on a prospective basis. Early adoption is permitted. The Company is evaluating whether to elect the

(Continued)

(Dollars in thousands)

practical expedient and related accounting policy election and does not expect adoption to have a material impact on its financial statements.

(2) Utility Plant

At December 31, 2025 and 2024, utility plant is summarized as follows:

		2025	2024
Classified plant in service:			
Production plant	$	1,547,080	1,543,226
Transmission plant		499,667	440,429
General plant		80,275	84,717
Other		67	67
		2,127,089	2,068,439
Less accumulated depreciation		1,120,272	1,140,795
		1,006,817	927,644
Construction in progress		23,721	142,666
Utility plant – net	$	1,030,538	1,070,310

Big Rivers' secured long-term debt obligations and the 2nd 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.

During 2025, Big Rivers completed two significant capital projects, resulting in the reclassification of the related balances from Construction in Progress to Plant in Service. These projects consisted of the Transmission Operations Center and the Gypsum Dewatering System at Wilson Station.

Depreciation expense on utility plant for the years ended December 31, 2025 and 2024 was $51,669 and $50,898, respectively.

Interest capitalized for the years ended December 31, 2025 and 2024 was $1,958 and $3,536, respectively.

As of December 31, 2025 and 2024, the Company had recorded $45,467 and $48,921, respectively, related to nonlegal removal costs included in accumulated depreciation as required by the RUS.

(Dollars in thousands)

(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 lives. The following table presents the activity for the ARO liabilities for the years ended December 31, 2025 and 2024:

		2025		2024	
ARO balance at beginning of year	$	85,456		43,520	
Additional obligations incurred		—		42,573	(d)
Changes in estimated timing or cost		3,546	(a)	19,333	(e)
Accretion expense		4,590	(b)	3,094	(b)
ARO settlement		(982)	(c)	—	
Obligations settled during current period		(2,839)		(23,064)	
ARO balance at end of year	$	89,771		85,456	

(a) During 2025, the Board of Directors approved an extension of the wholesale power contract with the members. The extension of the wholesale power contract allowed Big Rivers to extend the useful life of the Wilson Station landfill to coincide with Big Rivers' most recent Integrated Resource Plan, which was filed and approved with the Kentucky Public Service Commission. The previous settlement date for the Wilson Station landfill was limited to the expiration of the original wholesale power contract. Additionally, Big Rivers received updated cost estimates for the closure of the Wilson Station landfill and the Sebree Station landfill in 2025. Based on the new cost estimate and extended use, Big Rivers recorded adjustments to both the Wilson Station landfill closure and Sebree Station landfill closure ARO liabilities.

(b) The 2025 and 2024 annual ARO accretion expense of $4,590 and $3,094, respectively, was deferred and included in the Regulatory Assets amount reported on the Company's balance sheet as of December 31, 2025 and 2024. 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.

(c) Closure activities were completed for both the Green Station and Station Two ash ponds during 2025. As a result, Big Rivers settled the Green Station and Station Two ash pond ARO liability obligations. When the liabilities were settled, Big Rivers also retired the associated utility plant recorded for both the Green Station and Station Two ash pond closures.

(d) 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.

(e) 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.

(Dollars in thousands)

(4) Debt and Other Long-Term Obligations

Details of long-term debt at December 31, 2025 and 2024 are as follows:

	2025	2024
CFC Refinance Promissory Note, Series 2012B, serial note pricing, 4.30% effective interest rate, final maturity date of May 2032	$ 126,243	142,532
CoBank Promissory Note, Series 2012A, 4.30% fixed interest rate, final maturity date of June 2032	101,639	114,688
2018 RUS Guaranteed FFB Loan, W8, 2.83% effective interest rate, final maturity date of January 2033	14,674	16,554
2018 RUS Guaranteed FFB Loan, X8, 2.94% effective interest rate, final maturity date of December 2043	14,431	15,039
2021 RUS Guaranteed FFB Loan, Y8A, 1.94% effective interest rate, final maturity date of December 2043	22,236	23,272
2022 RUS Guaranteed FFB Loan, Y8B, 3.34% effective interest rate, final maturity date of December 2043	112,704	117,260
2022 RUS Guaranteed FFB Loan, AA8, 2.31% effective interest rate, final maturity date of December 2043	52,288	54,634
2023 RUS Guaranteed FFB Loan, Z8, 4.97% effective interest rate, final maturity date of December 2043	12,238	12,654
2023 RUS Guaranteed FFB Loan, AC58, 4.37% effective interest rate, final maturity date of December 2042	121,560	122,765
2022 CFC Loan 1, 4.58% fixed interest rate, final maturity date of September 2042	44,187	45,943
2022 CFC Loan 2, 4.82% fixed interest rate, final maturity date of September 2042	44,758	46,458
2022 CFC Farmer Mac Loan, 4.37% fixed interest rate, final maturity date of September 2042	44,071	45,858
2023 CFC Loan 1, 5.45% fixed interest rate, final maturity date of September 2043	32,402	33,484
2023 CFC Loan 2, 5.45% fixed interest rate, final maturity date of September 2043	23,145	23,917
2023 CFC Loan 3, 5.46% fixed interest rate, final maturity date of September 2043	70,612	72,866
CFC Promissory Note, Series 2020B, 2.49% fixed interest rate, final maturity date of February 2031	83,300	83,300
Total long-term debt	920,488	971,224

(Dollars in thousands)

		2025	2024
Total long-term debt	$	920,488	971,224
Less current maturities		56,648	50,736
Less unamortized deferred debt issuance costs		2,288	2,595
Less advance payments unapplied – RUS cushion of credit		4,353	4,188
Total long-term debt – net of current maturities, deferred debt issuance costs, and advance payments	$	857,199	913,705

The following are scheduled maturities of long-term debt at December 31, 2025:

		Amount
Year:		
2026	$	56,648
2027		54,889
2028		61,502
2029		68,894
2030		67,423
Thereafter		611,132
Total	$	920,488

(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 the RUS FFB Y8B and RUS FFB AC58 loans, the proceeds of which were used to refinance the 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.

(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 19, 2027, as a result of a Maturity Date Extension Agreement dated June 20, 2025.

As of December 31, 2025 and 2024, Big Rivers had no outstanding borrowings under the 2023 Agreement and no 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, 2025, is 3.68%. During 2025, the cushion of credit account accrued interest at an annual rate of 3.98%.

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 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, 2025, was 1.30, taking into account the TIER Credit discussed in note 5, and its Equities balance was $511,171.

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

(Dollars in thousands)

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, 2025 and 2024:

		Regulatory assets	
		2025	**2024**
Non-FAC PPA	$	32,764	20,858
Asset retirement obligations		58,546	54,327
Environmental costs (CCR)		7,675	9,209
Station Two contract termination		37,649	51,453
Coleman plant retire/decommission		143,775	136,492
Green plant gas conversion		81,503	81,066
Total regulatory assets	$	361,912	353,405

		Regulatory liabilities	
		2025	**2024**
Member rate mitigation	$	3,311	2,782
TIER Credit		17,367	16,573
Total regulatory liabilities	$	20,678	19,355

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

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 record Coleman 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, 2025 and 2024, 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 $66,211 and $63,536, respectively.

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, 2025, the total amount of the Station Two contract termination included in the Regulatory Assets on the Company's balance sheet was $37,649. 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 2025 and 2024, the Company reduced the SLM regulatory asset balances by recording amortization of $14,065 and $28,555, 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 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. KPSC approved Big Rivers' proposal on September 3, 2025. The KPSC approved Big Rivers' proposal to calculate amortization of its SLM Regulatory Assets, including the Green Station Regulatory Asset, using prior year-end balances and to continue using this methodology in future periods.

On February 26, 2026, Big Rivers filed an application with the KPSC, Case No. 2026-00021, for review of its MRSM charge for calendar year 2025. This case is pending.

(6) Income Taxes

At December 31, 2025, Big Rivers had a Non-Patron Net Operating Loss ("NOL") Carryforward of approximately $67,607 expiring at various times between 2029 and 2037, which was entirely offset by a full valuation allowance.

(Continued)

(Dollars in thousands)

The components of the net deferred tax assets as of December 31, 2025 and 2024 were as follows:

		2025	2024
Deferred tax assets:			
Net operating loss carryforward	$	16,868	16,723
Total deferred tax assets		16,868	16,723
Deferred tax liabilities:			
Fixed asset basis difference		(9,416)	(4,345)
Bond refunding costs		(30)	(35)
Total deferred tax liabilities		(9,446)	(4,380)
Net deferred tax asset (pre-valuation allowance)		7,422	12,343
Valuation allowance		(7,422)	(12,343)
Net deferred tax asset	$	—	—

A reconciliation of the Company’s effective tax rate for 2025 and 2024 is as follows:

	2025	2024
Federal rate	21.0 %	21.0 %
State rate – net of federal benefit	4.0	4.0
Patronage allocation to members	(25.0)	(25.0)
Effective tax rate	— %	— %

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 2022 through 2024. The major state tax jurisdiction currently open for income tax examination is Kentucky for years 2021 through 2024. 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 2025 or 2024.

On July 4, 2025, the 'One Big Beautiful Bill Act' (OBBBA) was enacted, which alters several U.S. corporate tax provisions. The Company has analyzed the OBBBA and determined that it will not have a material impact on its financial statements.

(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 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.

Effective October 31, 2025, the plan was terminated. Any member who was entitled to a benefit and not already receiving payments from the Plan was given the choice of a Lump Sum Option, a nontransferable Immediate Annuity, or a nontransferable Deferred Annuity. An annuity contract was purchased for all participants in pay status as well as those with a deferred benefit that will provide all the rights such person had under the plan document prior to the purchase of the annuity contract.

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, 2025 and 2024.

(Dollars in thousands)

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

A reconciliation of the Company's benefit obligations of its noncontributory defined-benefit pension plan at December 31, 2025 and 2024, is as follows:

		2025	2024
Benefit obligation – beginning of period	$	6,597	7,109
Interest cost on projected benefit obligation		343	343
Benefits paid		(6,821)	(663)
Actuarial loss (gain)		201	(192)
Benefit obligation – end of period	$	320	6,597

Big Rivers' defined-benefit pension plan provides retirees and terminated employees with a lump-sum payment option. Benefits paid in 2025 include lump-sum payments totaling $5,993 – the result of sixteen former employees electing the 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.

The accumulated benefit obligation for the defined-benefit pension plan was $320 and $6,597 at December 31, 2025 and 2024, respectively.

A reconciliation of the Company's pension plan assets at December 31, 2025 and 2024, is as follows:

		2025	2024
Fair value of plan assets – beginning of period	$	5,816	6,423
Employer contributions		1,008	101
Actual return on plan assets		(3)	(45)
Benefits paid		(6,821)	(663)
Fair value of plan assets – end of period	$	—	5,816

The funded status of the Company's pension plan at December 31, 2025 and 2024, is as follows:

		2025	2024
Benefit obligation – end of period	$	(320)	(6,597)
Fair value of plan assets – end of period		—	5,816
Funded status (under)/over	$	(320)	(781)

(Dollars in thousands)

Components of net periodic pension costs for the years ended December 31, 2025 and 2024, were as follows:

		2025	2024
Service cost	$	—	—
Interest cost		343	344
Expected return on plan assets		(321)	(367)
Amortization of actuarial loss		55	51
Settlement and curtailment (gain) loss		2,630	181
Net periodic benefit cost	$	2,707	209

A reconciliation of the pension plan amounts in accumulated other comprehensive income at December 31, 2025 and 2024, is as follows:

		2025	2024
Prior service cost	$	—	—
Unamortized actuarial loss		(43)	(2,203)
Accumulated other comprehensive income	$	(43)	(2,203)

The recognized adjustments to other comprehensive income at December 31, 2025 and 2024, are as follows:

		2025	2024
Prior service cost	$	—	—
Unamortized actuarial gain/(loss)		(2,159)	(12)
Other comprehensive (income)/loss	$	(2,159)	(12)

At December 31, 2025 and 2024, amounts recognized in the balance sheets were as follows:

		2025	2024
Deferred credits and other	$	(320)	(781)

(Continued)

(Dollars in thousands)

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

	2025	2024
Discount rate – projected benefit obligation	N/A*	5.43 %
Discount rate – net periodic benefit cost	5.43	5.05
Rates of increase in compensation levels	N/A	N/A
Expected long-term rate of return on assets	5.65	5.85

*The defined benefit plan was closed effective October 31, 2025

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, 2025, the investment allocation was entirely in U.S. Credit. 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. 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 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.

(Dollars in thousands)

At December 31, 2025 the fair value of Big Rivers' defined-benefit pension plan assets was zero. At December 31, 2024 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	$ 189	—	189
Equity securities:			
Common stock	348	—	348
Mutual funds	783	—	783
Fixed:			
Corporate bonds and notes	—	4,496	4,496
	$ 1,320	4,496	5,816

Fair value measurements categorized within Level 2 of the fair value hierarchy are based on valuation techniques that utilize observable inputs other than quoted prices in active markets for identical assets or liabilities. These inputs include quoted prices for similar instruments in active or inactive markets and other observable market-based inputs, such as interest rate yield curves and credit spreads.

Expected retiree pension benefit payments projected to be required during the next ten years following 2025 are as follows:

	Amount
Year ending December 31:	
2026	$ 63
2027	67
2028	13
2029	52
2030	26
Thereafter	129
Total	$ 350

(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

(Continued)

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 $4,204 and $3,952 for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, was $198 and $156, respectively, and the deferred compensation expense for December 31, 2025 and 2024, was $268 and $263, respectively. As of December 31, 2025 and 2024, the trust assets were $743 and $502, and the deferred liability was $743 and $502, 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, 2025 and 2024, the Company's short-term investments included $2,834 and $3,228, respectively, 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).

(Dollars in thousands)

The amortized costs and fair values (Level 1 measurement) of Big Rivers' short-term investments at December 31, 2025 and 2024, were as follows:

	2025		2024	
	Amortized costs	**Fair values**	**Amortized costs**	**Fair values**
Debt securities:				
U.S. Treasuries	$ 2,834	2,835	3,228	3,229
Total short-term investments	$ 2,834	2,835	3,228	3,229

Gross unrealized gains and losses on short-term investments at December 31, 2025 and 2024, were as follows:

	2025		2024	
	Gains	**Losses**	**Gains**	**Losses**
Debt securities:				
U.S. Treasuries	$ 1	—	1	—
Total short-term investments	$ 1	—	1	—

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, 2025 and 2024, respectively, 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, 2025 and 2024, 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:

	2025	2024
Institutional U.S. government money market portfolio	$ 49,699	50,922

(Dollars in thousands)

Big Rivers' long-term debt at December 31, 2025, consisted of CFC notes totaling $468,718, a CoBank note in the amount of $101,639, and RUS guaranteed FFB loans totaling $350,131 (Note 4). 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.

The fair value of the Company's long-term debt is classified within Level 2 and is estimated using a discounted cash flow model. The valuation incorporates observable market inputs, including the contractual terms of the debt, the weighted-average remaining term, and market interest rates for borrowings with similar maturities and credit characteristics. Management believes the valuation techniques and inputs used are appropriate and consistent with market participant assumptions.

	2025		2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$ 920,488	813,620	971,224	819,031

(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 years. The 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. On October 15, 2025, the eligibility requirements were revised to include transmission bargaining employees who retire at age 60.

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

	2025	2024
Discount rate – projected benefit obligation	5.44%	5.63%
Discount rate – net periodic benefit cost	5.63%	5.13%/5.19%

(Dollars in thousands)

The healthcare cost trend rate assumptions as of December 31, 2025 and 2024, were as follows:

	2025	2024
Initial trend rate	7.48% / 7.83%	7.35% / 7.68%
Ultimate trend rate	4.00	4.00
Year ultimate trend is reached	2049	2048

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

		2025	2024
One-percentage-point decrease:			
Effect on total service and interest cost components	$	(120)	(112)
Effect on year-end benefit obligation		(909)	(922)
One-percentage-point increase:			
Effect on total service and interest cost components	$	145	136
Effect on year-end benefit obligation		1,076	1,087

A reconciliation of the Company’s benefit obligations of its postretirement plan at December 31, 2025 and 2024, is as follows:

		2025	2024
Benefit obligation – beginning of period	$	12,042	11,750
Service cost – benefits earned during the period		546	495
Interest cost on projected benefit obligation		689	581
Participant contributions		534	519
Plan amendments / Special termination benefits		—	886
Benefits paid		(1,633)	(1,683)
Actuarial loss (gain)		(269)	(506)
Benefit obligation – end of period	$	11,909	12,042

(Continued)

(Dollars in thousands)

A reconciliation of the Company's postretirement plan assets at December 31, 2025 and 2024, is as follows:

		2025	2024
Fair value of plan assets – beginning of period	$	—	—
Employer contributions		1,099	1,164
Participant contributions		534	519
Benefits paid		(1,633)	(1,683)
Fair value of plan assets – end of period	$	—	—

The funded status of the Company's postretirement plan at December 31, 2025 and 2024 is as follows:

		2025	2024
Benefit obligation – end of period	$	11,909	12,042
Fair value of plan assets – end of period		—	—
Funded status (under)/over	$	11,909	12,042

The components of net periodic postretirement benefit costs for the years ended December 31, 2025 and 2024 were as follows:

		2025	2024
Service cost	$	545	495
Interest cost		689	581
Amortization of prior service cost		139	82
Amortization of gain		(252)	(322)
Net periodic benefit cost	$	1,121	836

A reconciliation of the postretirement plan amounts in accumulated other comprehensive income at December 31, 2025 and 2024 is as follows:

		2025	2024
Prior service credit	$	(2,268)	(2,407)
Unamortized actuarial gain		5,491	5,474
Accumulated other comprehensive income	$	3,223	3,067

(Continued)

(Dollars in thousands)

The recognized adjustments to other comprehensive income (loss) at December 31, 2025 and 2024, are as follows:

		2025	2024
Prior service cost	$	—	(886)
Unamortized actuarial gain/(loss)		269	506
Amortization of net gain		(113)	(240)
Other comprehensive income/(loss)	$	156	(620)

At December 31, 2025 and 2024, amounts recognized in the balance sheets were as follows:

		2025	2024
Accounts payable	$	(1,054)	(1,125)
Deferred credits and other		(10,855)	(10,917)
Net amount recognized	$	(11,909)	(12,042)

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

		Amount
Year:		
2026	$	1,054
2027		1,059
2028		1,010
2029		1,001
2030		1,002
Thereafter		5,264
Total	$	10,390

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 $792 and $733 at December 31, 2025 and 2024, respectively. The postretirement expense recorded was $81 and $67, for 2025 and 2024, respectively, and the benefits paid were $22 and $105 for 2025 and 2024, respectively.

(Continued)

(11) Related Parties

For the years ended December 31, 2025 and 2024, Big Rivers had tariff sales to its members of $374,446 and $321,497, respectively. In addition, for the years ended December 31, 2025 and 2024, Big Rivers had certain sales to Kenergy for the Domtar Paper Co. load of $211 and $879, respectively.

At December 31, 2025 and 2024, Big Rivers had accounts receivable from its members of $38,208 and $29,571, 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.

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. The Court of Appeals issued an opinion on November 14, 2025, affirming the Franklin Circuit Court Opinion and Order. HMP&L filed a petition for rehearing of the Court of Appeals opinion. The Court of Appeals denied that petition for rehearing on January 8, 2026. HMP&L filed a petition for discretionary review with the Kentucky Supreme Court on February 9, 2026. The Supreme Court has not yet ruled on that petition. 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 a defendant in two civil cases arising from an incident on June 7, 2022. Big Rivers' insurance carrier is defending Big Rivers in both cases. The Company believes there will be no material adverse effect to its financial statements when this litigation is 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

On February 26, 2026, Big Rivers Electric executed the Fourth Amended and Restated Consolidated Loan Contract (designated as the 'RUS AD8 Loan') with the United States of America, acting through RUS, in the amount of $65,213. These funds are intended to finance system extension and additions. As of March 23, 2026, the executed documents remain under review by RUS, and no funding has been received.

Management evaluated subsequent events up to and including March 23, 2026, the date the financial statements were available to be issued.

BOARD OF DIRECTORS

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Jackson Purchase Energy Corporation

Brent Wigginton, Vice-Chair
Kenergy Corp

Paul Edd Butler, Secretary
Meade County RECC

Wayne Elliott
Jackson Purchase Energy Corporation

Stephen Barr
Meade County RECC

Robert White
Kenergy Corp

Tyson Kamuf
Corporate Counsel

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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

Micah Bushnell
Vice President Energy Service

Derrick Miller
Vice President Member Services
and Economic Development

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
30,714

Miles of Lines
2,996

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
60,176

Miles of Lines
7,278

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
34,049

Miles of Lines
3,335

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