

## Cumberland Electric Membership Corporation

*An equal opportunity provider and  
employer*

### CEMC Management and Staff

**Chris A. Davis**, General Manager  
**David Abernathy**,

Engineering and Operations  
Division Manager

**Annebelle Pittenger**,  
Administrative Division Manager

**Mark T. Cook, P.E.**,  
Broadband Manager

**Michael Blackwell**,  
District Operations Manager

**Jonathan Fielder**,  
Engineering Services Manager

**Seth Roberts**,  
Member Services Manager

**Brad Taylor**,  
Financial Services Manager

**Beau Baggett**,  
Manager of Member Experience

### District Managers

**Ashland City office: Josh Gill**

**Clarksville office: Kenny Davis**

**Dover office: Bobby Joiner**

**Gallatin office: Travis Akins**

**Portland/White House offices:**

**Scott Brown**

**Springfield office: Chad Crabtree**

### CEMC Board of Directors

**Tommy G. Whittaker**,

Sumner Co., President

**Wesley H. Aymett**,  
Cheatham Co., Vice President

**Shela K. Williams**,

At Large, Secretary-Treasurer

**K. Jean Beauchamp**, Robertson Co.,

Assistant Secretary-Treasurer

**Charles R. Hancock**, Stewart Co.

**Michael A. Mason**, Robertson Co.

**C. David Morgan**, Montgomery Co.

**Edward L. Oliver**, Montgomery Co.

**J. Bryan Watson**, Stewart Co.

**Eddie Swan**, Sumner Co.

### Mission Statement

Cumberland Electric Membership Corporation is committed to meeting the needs of our membership by delivering safe, affordable and reliable services the cooperative way.

### The Tennessee Magazine

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# Between the Lines

*News from your community*

## No wrapping paper required

**Don't get me wrong.** I get as excited as the next person about opening a present on Christmas morning, but I think most of us realize — at least when we get a little older — that it is almost always better to give than receive, especially during this time of year.

The fact is, your co-op gives back to our community every day of the year. Through our work to provide reliable electricity and broadband services, support local schools, promote economic development and various other community efforts, Cumberland Electric Membership Corporation is consistently engaged in the kinds of things that make the communities we serve great places to live, work and raise a family. Many of these efforts can take years to bear fruit, and that's OK. We're in it for the long haul.

There is something we do, however, that offers a more immediate payback. Every year, CEMC sets aside a special day — our "Day of Service" — where we come together to tackle projects to benefit others in our community.

CEMC has taken part in various Day of Service projects over the past five years, including a "stuff the truck" food drive, a clothing and personal hygiene donation drive for local schools, a "pink out" for the American Cancer Society, sponsoring Second Harvest mobile food banks and painting playground equipment for a local school.

It's hard to describe the feeling we share when working side-by-side on these projects with other CEMC employees. The sense of camaraderie goes way beyond wearing matching T-shirts. Our Day of Service has become a tradition, and it's one we look forward to each year. We get dirty, we sweat and we have a great time — all while knowing we're accomplishing something important for someone else.



**By Chris A. Davis**  
*General Manager,  
Cumberland Electric  
Membership Corporation*

I'd like to take this opportunity to challenge you to start 2022 with a resolution to make our community a better place to live. Volunteer your time to help someone less fortunate or help a local organization tackle a project it might not have the funds or the hands to otherwise complete. Donations are great, but there's just something soul-satisfying about giving time. Whether through your church, a school or a community nonprofit, there's a project out there just waiting for you to undertake. I can promise you this: The rewards of doing so are meaningful and long-lasting.

The employees of CEMC join me in wishing you and yours a safe and happy holiday season and many blessings in the coming new year.



CEMC employees paint playground equipment at a local school during the 2021 Tennessee Electric Cooperative Day of Service.

Connecting you to your best life



# 2021 Annual Report

Cumberland Electric Membership Corporation  
Cumberland Connect

Simply put, Cumberland Electric Membership Corporation's members are the reason we exist. Since the cooperative was founded in 1938, CEMC has been dedicated to improving the quality of life for the members and communities it serves.

Over the past 83 years, we have built an electric infrastructure that delivers safe, reliable and affordable electric service to more than 100,000 homes and businesses in rural Stewart, Montgomery, Cheatham, Robertson and Sumner counties.

Today, with the formation of our broadband subsidiary Cumberland Connect, we are working diligently to build a fiber-to-the-home network that will provide our rural members with the same reliable high-speed internet, phone and

video services enjoyed by our nation's largest cities. We recognize that in today's connected world, broadband services have become as vital as any other utility.

CEMC works hard every day to connect members to their best lives by providing the services upon which our communities rely — electricity and broadband. From our morning alarms to the ways we work, educate, entertain and care for ourselves throughout the day, access to these services is essential to our modern way of life.

This past year has been and continues to be a challenging time for our communities, our nation and our world, but through it all, CEMC will always do our part to help fulfill our mission of connecting you, our members, to your best life.

# Cost-efficient, safe, reliable electric service

Cumberland EMC focused on providing cost-efficient, safe and reliable electricity to our members as we spent a busy year making improvements throughout our five-county system. Here's a look at the most important activities in Fiscal Year 2021.

Improvements to the Shady Grove Substation and Springfield Primary Substation dominated our substation improvements in the past year.

- We began tearing out half of the Shady Grove Substation to prepare for the upgrade to 161 kV. Work on this \$2.8 million project will continue this next year.

- Throughout spring 2021, CEMC worked with TVA to upgrade the relays at the Springfield Primary Substation to comply with new North American Electric Reliability Corporation standards. This process involved backfeeding the entire station multiple times to change out wiring and multiple relay panels. Backfeeding the station is a significant event that is done only when needed, so CEMC took advantage of the outages to complete other work that can only be done when the station is off-line.

In other work, we made system updates throughout our service territory.

- CEMC inspected 17,443 utility poles and replaced aging poles when needed. This ongoing inspection process of the 138,196 poles we maintain is important for safety and reliability.

- We added 3,159 permanent electric services.

- To accommodate our growth, CEMC bought the building at 1820 Ashland City Road next to our Clarksville District office for \$1.42 million.

- We changed 452 transformers in the Greenbrier area. This is part of an ongoing project to convert the Greenbrier substation and all feeders to 25kV.

- CEMC converted 6.1 miles of single-phase power line to three-phase to accommodate

growth and to provide more reliable service in needed areas.

- We also added 17 miles of overhead primary line, 41 miles of underground primary line and 55 miles of underground secondary line. This increased the total number of miles of line in our five counties to 8,204. The number of members per mile of line increased from 12.8 to 12.97.

Our ongoing vegetation management effort is essential to providing reliable electric service. CEMC is responsible for maintaining right-of-way for about 112 miles of transmission line and 6,500 miles of overhead distribution line.

To keep vegetation out of our lines and equipment, we trim and remove trees, cut back overgrown vegetation and apply herbicide to woody vegetation. CEMC alternates right-of-way trimming and herbicide application to maintain our rights-of-way on a six-year rotation.

Our subcontractors who do this work are fully licensed and insured. All herbicides applied directly to woody, unmaintained vegetation are registered with the EPA and pose no threat to humans, animals or pollinators.



## Statistical Information

	2019	2020	2021
Member Count	100,519	103,456	106,444
Long-Term Debt	120,178,564	120,292,052	207,006,869
Interest Paid	4,208,370	4,408,012	5,177,100
Total Kilowatt-Hours Sold	2,771,279,633	2,697,304,669	2,759,131,859
Average Monthly Residential Kilowatt-hour Consumption	1,486	1,461	1,434
Members per Mile	12.6	12.8	12.97
Miles of Line	8,007	8,099	8,204
Plant Investment per Meter	4,587	4,781	5,218
Wholesale Power Cost as % of Electric Sales Revenue	75%	72.5%	70.2%

### Auditor's Statement

Cumberland Electric Membership Corporation's financial statements are audited by the firm of Stone, Rudolph & Henry, PLC. Copies are available online at [cemc.org](http://cemc.org).

## Reaching out to help our communities

Cost-efficient, reliable electric service and high-speed, dependable internet are important to our members, but our mission doesn't stop there. It's also important to be active in our communities to help attract jobs, have strong schools, develop leaders and provide assistance to those who need it.

CEMC works with our local chambers of commerce, the state Department of Economic and Community Development and TVA to strengthen local industries and attract new industries and jobs.

Our youth programs include the annual short story writing contest; winners received scholarships when the winners' trip to Washington, D.C., was canceled again this year because of the pandemic. We awarded 20 college scholarships to seniors. We sent middle school students to 4-H camps in Jackson and Columbia.

We partnered with TVA to present STEM grants to three schools: Ashland City Elementary, \$3,500; North Stewart Elementary, \$5,000; and Portland West Middle School, \$5,000.

Many of our community service projects helped put food in area food pantries and feed the hungry. We started with our co-op day of service last October, raising \$1,100 to provide 4,000 meals to food-challenged residents. We sponsored mobile food

pantries in Cheatham, Robertson and Montgomery counties, and we hosted food drives to help Portland Cares and other nonprofits.

We donated \$7,850 each for COVID-related relief to C.O.P.E. and White House Hope Center in Robertson County; Bethesda Center in Cheatham County; Urban Ministries in Montgomery County; Portland Cares, Gallatin Cares and White House Hope Center in Sumner County; and Good Samaritans in Stewart County.

COVID-19 continued to be a big part of our lives. At CEMC, we added another layer of safety practices to our already stringent safety procedures. We continued to follow state and local directives for closing, opening and operating our offices; required our employees and visitors to wear masks and practice social distancing; and encouraged no-contact account management. We appreciate your understanding during this trying time.

CEMC is local, nonprofit, member-owned and member-controlled. Our board and employees live and volunteer alongside our members. We live in our communities, and we all care deeply about our communities.

We are proud of our history, and we look forward to an even better future ...

*Connecting you to your best life.*

# Cumberland Connect

Access to high-speed fiber internet services is a reality to an increasing number of CEMC members as we finished an exciting second year in the build out of a fiber network in our five-county service area.

Cumberland Connect employees and contractors completed 13 fiber hub sites and constructed 1,383 miles of mainline fiber, making Cumberland Connect fiber services available to an additional 26,000 homes and businesses. Another 1,127 utility poles were changed out so they were ready for fiber when it reached them.

At the end of the fiscal year that ended June 30, 2021, a total of 8,177 members have signed up for the high-speed, fiber internet service.

We added 13 full-time and four part-time Broadband Division employees so we could better serve the increased number of broadband members and continue to work diligently to expand our fiber network as quickly as possible.

We were fortunate to have the opportunity to apply for and be awarded a \$2.8 million grant to construct fiber in the Adams area of Robertson County. We also were awarded \$8.52 million of

the 2020 FCC Rural Development Opportunity Fund Grant to assist us in providing access to reliable broadband services in our underserved communities.

The passage of the 2017 Tennessee Broadband Accessibility Act opened the door for CEMC to form Cumberland Connect, a wholly owned, nonprofit broadband subsidiary, in May 2019. After several months of preparation, fiber construction officially began in November 2019. We project this powerful, innovative fiber optic network will be completed in five to six years from the start of construction, providing access to gigabit-speed internet, phone and video services to all eligible CEMC residential and business members.

High-speed internet is more than a utility; it is critical to the advancement of our communities and, more than ever, an essential part of our everyday lives. We appreciate your patience and ongoing support while we work to construct this fabulous fiber network.



## We are honored to serve our friends and neighbors!



**So far I would give 100 stars if possible. Our technician was amazing! As an elementary school teacher, I am constantly online. As I work, I watch Netflix, my husband is gaming on Playstation, and all 3 kids are streaming movies. It holds up so well! There is no slow-down — absolutely NOTHING buffers. Going from satellite to Fiber was for sure life-changing. Thank you so much!!!**

—NANCE, PALMYRA, TN



**Our lives have changed so much since getting Fiber. We can shop, use our security cameras, stream movies and music, and stay connected to family a bit better now. The speed is fast and consistent. We can have all of our devices on the Internet and we are not sacrificing speed. Movies start — no buffering. I can Zoom meetings with no issue, and I think the speed is faster than what I use at work! Many, many thanks to the people of CEMC and Cumberland Connect!!!**

—DONNA, SOUTHSIDE, TN

## Connecting you to your best life

# Connecting you to your best life

## Ad valorem and property tax payments

Each year, CEMC pays ad valorem and property taxes to the cities and counties in which we have infrastructure. The amount of taxes paid is based on the assessed value of the infrastructure, including buildings, substations, transformers, poles and lines. The ad valorem and property taxes paid for the last three years are shown in the table below.

	2019	2020	2021
<b>Counties</b>			
Cheatham	\$ 367,076.00	\$ 371,425.00	\$ 381,356.00
Dickson	4,619.00	4,967.00	5,017.00
Montgomery	1,231,745.00	1,330,768.00	1,399,676.00
Robertson	875,360.00	937,524.00	825,926.00
Stewart	312,850.00	321,950.00	336,598.00
Sumner	700,343.10	817,131.00	827,168.00
County Total	\$ 3,491,993.10	\$ 3,783,765.00	3,775,741.00
<b>Cities</b>			
Adams	\$ 6,882.00	\$ 6,903.00	\$ 5,964.00
Ashland City	16,833.00	17,034.00	16,987.00
Cedar Hill	1,217.58	1,580.73	1,694.00
Clarksville	126,859.00	114,548.00	123,729.00
Coopertown	6,836.96	6,840.00	5,945.00
Cumberland City	2,458.68	2,465.74	2,564.00
Dover	44,120.00	44,117.00	45,596.00
Gallatin	22,560.00	24,052.00	23,556.00
Greenbrier	20,970.90	50,010.00	48,329.00
Hendersonville	15,832.00	24,047.00	24,620.00
Millersville	10,107.00	11,871.00	11,283.00
Mitchellville	5,442.75	4,883.96	4,870.54
Portland	87,425.28	84,416.00	83,068.00
Ridgetop	9,976.00	10,016.00	8,563.00
Springfield	16,616.00	20,333.00	16,933.00
White House	45,440.00	47,449.00	44,812.00
City Total	\$ 439,577.15	\$ 470,566.43	\$ 468,504.54
Grand Total	\$ 3,931,570.25	\$ 4,254,331.43	\$ 4,244,245.54

# The Consolidated Financial Statements

(The Consolidated Financial Statements include the operations of CEMC and Cumberland Connect.)

## Assets

Electric Plant	\$ 555,474,400
Depreciation	(185,269,000)
Net Plant	370,205,400
Reserve and Cash Fund	11,569,900
Current and Accrued Assets	104,944,200
Deferred Debits	8,200,400
<b>Total Assets</b>	<b>\$ 494,919,900</b>

## Equities and Liabilities

Current and Accrued Liabilities	\$ 54,309,200
Deferred Credits	19,917,700
Membership Investment	1,009,800
Long-term Debt	199,917,800
Earnings Reinvested in System Assets	219,765,400
<b>Total Equities &amp; Liabilities</b>	<b>\$ 494,919,900</b>

## Revenue and Expense Statement

Operating Revenue	\$ 293,067,700
Cost of Services	(197,207,400)
Operations Expense	(39,594,500)
Maintenance Expense	(22,409,200)
Depreciation Expense	(16,719,800)
Debt Expense	(5,177,100)
<b>Net Margin from Operations</b>	<b>\$ 11,959,700</b>
Other Income	838,200
<b>Net Margin</b>	<b>\$ 12,797,900</b>

## 2021 CEMC director election results

Michael A. Mason of North Robertson County was re-elected to serve a new three-year term on Cumberland Electric Membership Corporation's board of directors during the cooperative's 2021 director election held Oct. 1 and 2 at each CEMC district office.

James B. Watson, South Stewart County, and Tommy G. Whittaker, North Sumner County, each of whom ran unopposed, will also begin new three-year terms.

Visit us online at [cemc.org](http://cemc.org) to view the full 2021 Annual Report of Cumberland Electric Membership Corporation.

## 2021 Revenue Per \$1



Residential Members:	61¢
Large Commercial Members:	26¢
Small Commercial Members:	7¢
Broadband:	2¢
Miscellaneous:	4¢

CEMC received \$293,067,700 in revenues in the fiscal year that ended June 30, 2021. Our revenues came from several sources: Residential members; large and small commercial members; broadband; and miscellaneous income, which includes rent, forfeited discounts and street and outdoor lights.

## 2021 Expenses Per \$1



Purchased Power from TVA:	70¢
Operations, Maintenance, Depreciation, Interest and Tax Expenses:	30¢

CEMC buys power from the Tennessee Valley Authority. In the fiscal year that ended June 30, 2021, we spent 70 percent of our electric sales revenue to pay our TVA power bill. The other 30 percent was used for operations, maintenance, depreciation, interest and tax expenses.

