



Garkane Energy Cooperative

2025 Annual Report

"LET'S BUILD
SOMETHING"



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BOARD PRESIDENT & CEO REPORT

On behalf of the Board of Directors and the entire team at Garkane Energy Cooperative, we are pleased to present our annual report and reflect on another year of service to our members and communities.

Garkane Energy was founded on the cooperative principle of neighbors serving neighbors, and that mission continues to guide every decision we make. This past year brought both challenges and opportunities, and through it all, our focus remained clear: providing safe, reliable, and affordable power while supporting the growth and well-being of the communities we serve.

We are pleased to report that 2025 brought a lot of changes to the cooperative. We welcomed newly appointed CEO, Bryant Shakespear and said goodbye to retiring CEO, Dan McClendon. We saw the recent retirements of long-time employees and wish them well, while welcoming current employees taking on new roles within the cooperative.

Maintaining a dependable electric system across our vast and often rugged service territory is no small task. Our crews and operations teams worked diligently throughout the year to strengthen infrastructure, respond to outages, and enhance system resilience. Investments in maintenance, vegetation management, and system upgrades have improved reliability and reduced downtime for our members.

As a member-owned cooperative, we are committed to respon-



Board President
Guy Timpson



CEO / General Manager
Bryant Shakespear



sible financial management. We carefully balance the need for infrastructure investment with keeping rates as stable and affordable as possible. Through disciplined budgeting and strategic planning, Garkane Energy remains financially strong and well-positioned for the future. Garkane's revenue grew from \$37,986,627 in 2024 to \$38,606,550 in 2025. Total cost-of-service also grew to \$41,810,310 compared to \$36,830,295 the previous year, with other margins and credits, leaving a net-loss of (\$2,388,125). Garkane's total Net Utility Plant grew from \$160,317,253 in 2024 to \$169,168,406 in 2025.

In reviewing our financial performance from the past year, a primary driver of reported losses was the cost associated with electric meter upgrades. We made the financial decision to retire our current metering system due to news that our current provider was going to stop manufacturing and providing support for the metering system. While these upgrades are essential for improving system accuracy, efficiency, and long-term service capabilities, they have also resulted in short-term financial losses. The energy industry is evolving rapidly, with new technologies, changing regulations, and increasing demand. Garkane Energy is proactively preparing for the future by exploring innovative solutions, modernizing our grid, and ensuring we can meet the growing needs of our membership while maintaining the cooperative values that define us.

None of this would be possible without the dedication of our employees. Their commitment to safety, service, and excellence is the backbone of our success.

We are grateful for the trust you place in us as your electric cooperative. It is an honor to serve you.

Sincerely,

Board President
Guy Timpson

Chief Executive Officer
Bryant Shakespear

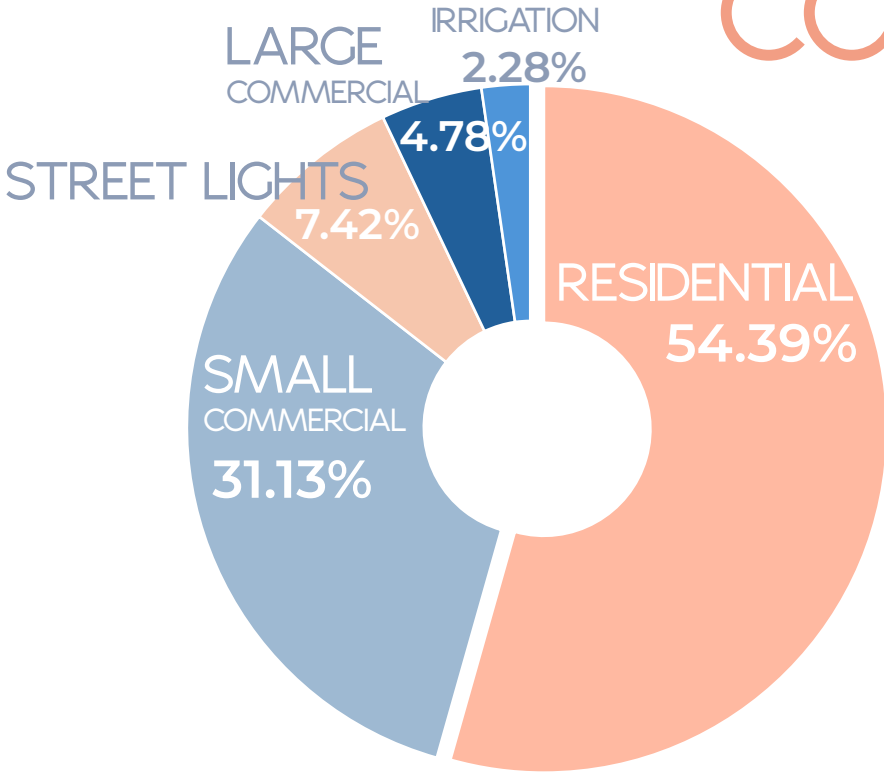


HISTORICAL GROWTH

Year	No. of Members	Annual Electric Revenues	kWh's Sold (Millions)	Plant (Millions)	Wholesale Power Costs	Miles of Line	Members per Line Mile
2011	12,798	21,925,338	231.5	92.7	7,369,190	2,202	5.81
2012	12,842	21,187,447	229.8	95.7	7,171,567	2,212	5.81
2013	12,825	22,746,974	248.4	102.4	7,974,991	2,225	5.76
2014	12,922	22,184,562	239.8	108.4	7,378,971	2,245	5.76
2015	13,079	23,102,962	240.5	113.0	8,380,091	2,294	5.70
2016	13,293	25,182,149	255.9	117.6	8,804,659	2,310	5.75
2017	13,320	23,817,430	241.5	122.5	9,190,139	2,393	5.57
2018	13,606	24,248,291	242.6	126.4	9,366,594	2,527	5.38
2019	13,874	24,615,222	249.9	132.5	10,058,600	2,546	5.45
2020	14,263	25,012,376	259.3	138.2	9,890,114	2,595	5.50
2021	14,696	26,238,298	268.4	141.8	10,586,489	2,628	5.59
2022	15,217	28,730,445	287.3	147.4	12,244,382	2,671	5.70
2023	15,676	29,521,456	293.2	150.8	12,433,881	2,692	5.82
2024	16,080	31,905,658	293.1	160.3	13,016,086	2,713	5.93
2025	16,418	32,738,436	289.2	169.2	13,208,201	2,745	5.98



CONSUMER MIX



	2025	2024
Residential	54.39%	55.02%
Small Commercial	31.13%	31.02%
Large Commercial	4.78%	3.97%
Street Lights/Public Fac.	7.42%	7.76%
Irrigation	2.28%	2.23%

The consumer mix represents how Garkane's total energy usage is distributed among residential, commercial, public, and agricultural members.



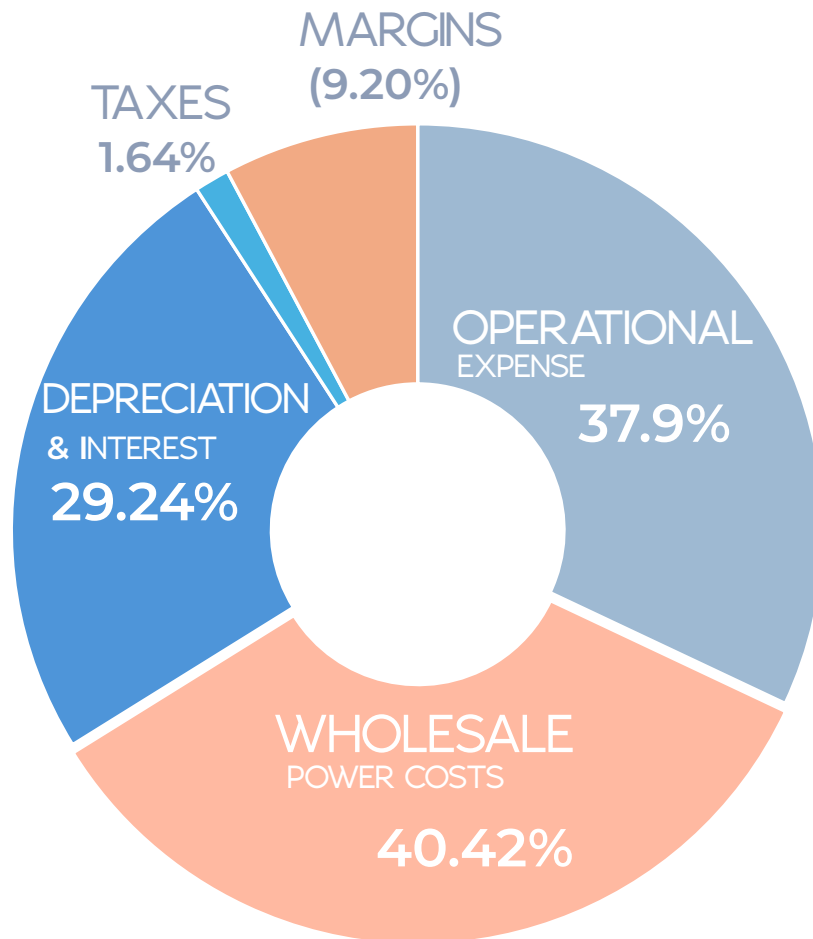
CONSOLIDATED STATEMENTS OF REVENUE

	<u>2025</u>	<u>2024</u>
Operating Revenue		
Revenues	\$38,606,550	\$37,986,627
Expenses & Deductions		
Cost of Sales	17,237,042	16,897,070
Transmission Expense	1,024,316	1,076,703
Distribution Expense	3,691,879	3,268,606
Consumer Accounts Expense	845,057	893,842
Customer Service Expense	494,903	395,115
Administrative & General Expense	7,754,100	7,089,294
Depreciation & Amortization Expense	7,727,594	4,809,187
Tax Expense	553,390	536,133
Interest Expense	2,438,274	1,840,812
Other Deductions	43,755	23,533
TOTAL COST OF SERVICE	\$41,810,310	\$36,830,295
OPERATING MARGINS	(\$3,203,760)	\$1,156,332
Non-Operating Margins & Other Credits		
Interest Earnings	66,872	53,239
Other Capital Credits & Allocations	543,840	546,695
Misc. Non-Operating Income	24,978	24,193
Gain/Loss on Disposition of Property	124,279	130,149
Other (Including Extraordinary Items)	55,666	20,663
Provision for Income Taxes	-	-
NET MARGINS	(\$2,388,125)	\$1,931,271
Patronage Capital - Beginning of Year	\$56,490,258	\$56,119,801
Prior Period Adjustment		
Refund of Patronage Capital Credits	(1,553,145)	(1,560,814)
PATRONAGE CAPITAL - END OF YEAR	\$52,548,988	\$56,490,258

CONSOLIDATED BALANCE SHEETS

ASSETS	2025	2024
Long-Term Assets		
Plant	\$169,168,406	\$160,317,253
Less: Depreciation	(75,974,408)	(74,400,741)
NET PLANT	93,193,998	85,916,512
Non-Utility Property	3,217,930	3,253,530
Investments in Assoc. Organizations	2,148,407	2,172,508
Other Investments	2,039,969	3,476,490
TOTAL LONG-TERM ASSETS	\$100,600,304	\$94,819,040
Current Assets		
Cash	2,871,222	4,261,307
Accounts Receivable - Net	8,182,415	7,240,545
Materials & Supplies	9,954,454	8,547,361
Prepayments & Other Accrued Assets	380,172	388,050
Total Current Assets	21,388,263	20,437,263
TOTAL ASSETS	\$121,988,567	\$115,256,303
LIABILITIES & PATRONAGE		
Patronage Capital	\$52,548,988	\$56,490,258
LONG-TERM DEBT		
Deferred Income Tax Liability - NET	556,707	545,653
Accumulated Operating Provisions	64,024	46,140
Other Long-Term Debt	379,201	395,596
CFC Mortgage Notes	54,091,822	38,070,956
TOTAL LONG TERM DEBT	\$55,091,754	\$39,058,345
CURRENT LIABILITIES		
Accounts Payable	3,515,809	5,969,790
Consumer Deposits	688,876	638,344
Other Current Liabilities	7,665,310	10,627,945
TOTAL CURRENT LIABILITIES	\$11,869,995	\$17,236,079
Deferred Credits	2,477,830	2,471,621
TOTAL LIABILITIES & PATRONAGE	\$121,988,567	\$115,256,303

EXPENDITURE MIX



	2025	2024
Wholesale Power Cost	40.42%	40.74%
Operational Expenses	37.9%	34.90%
Depreciation & Interest	29.24%	19.25%
Taxes	1.64%	1.62%
Margins	(9.20)%	3.49%

Garkane's expenditure mix reflects how the co-operative allocates its operating costs to provide reliable electric service. 40.42% of expenses are associated with wholesale power purchases, followed by 37.9% for operations, maintenance, and system improvements. This balanced approach ensures we maintain a safe, dependable system while managing costs responsibly for our members.



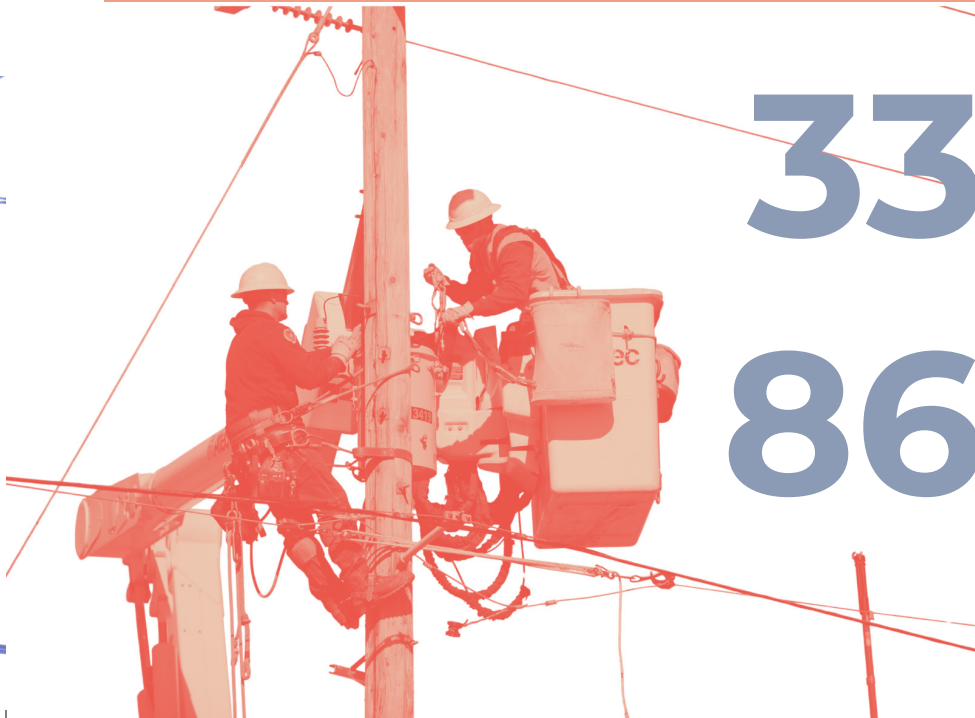
694 WORK ORDERS

37,730 PHONE CALLS

16,418 MEMBERS

33 SUBSTATIONS

86 EMPLOYEES



BOARD OF DIRECTORS



DISTRICT 1
Melinda Torgersen

Koosharem, UT



DISTRICT 2
Chad Williams

Teasdale, UT



DISTRICT 3
Tracy Potter

Torrey, UT



DISTRICT 4
Reed Munson

Escalante, UT



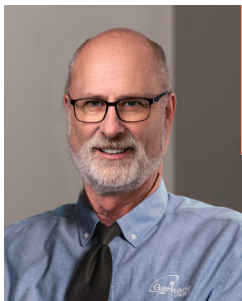
DISTRICT 5
Terry Griffiths

Orderville, UT



DISTRICT 6
George Thompson

Tropic, UT



DISTRICT 7
Andy Gant

Kanab, UT



DISTRICT 8
Rod Ence

Duck Creek, UT



DISTRICT 9
William Hammon

Centennial Park, AZ



DISTRICT 10
Ray Clark

Kanab, UT



DISTRICT 11
Guy Timpson

Colorado City, AZ



CEO
Bryant Shakespear

Kanab, UT

EMPLOYEES

*as of April 2026

KANAB

Alivia Swapp - Software Specialist
Birkette Willis - Member Service Rep
Brigham Hirschi - Apprentice Lineman
Bryan Pollpeter - GIS Technician
Bryant Shakespear - General Manager/CEO
Charles Steed - Drafting/Design Tech.
Chris Lacorti - Locating Technician
Clay Shakespear - Controls Comms. Tech.
Clayton Reidhead - Substation Technician
Codan Minniear - Warehouseman
Daniel Thompson - Engineer Manager
Emmitt Hafen - Journeyman Lineman
Gerry Hoyt - Chief Operating Officer
James Clegg - Energy Advisor/Facilities Mgr.
Jared Burrows - Substation Supervisor
Jarrett Glover - Staking Technician
Jessica Johnson - Executive Assistant
Jon Lee - Operations Control Manager
Josh Sawyer - Facilities Assistant
Julie McQuivey - New Construction Rep.
Kaber Esplin - IT Systems Analyst
Kim Lathim - ROW - Maintenance Foreman
Kit Goulding - Area General Foreman
Kory Phelps - System Analyst
Mark Kabonic - Area General Foreman
Nate Lyman - Engineer Technician
Neal Brown - Marketing & Member Service Mgr.
Rick Stewart - Substation Tech. Foreman
Scott Colson - Meter Technician
Shay Lamb - IT Specialist
Stasha Hoyt - Member Service Rep.
Taleana Virostko - New Construction Manager
Talmage Daley - Distribution Engineer
Taylor Goodnow - Apprentice Lineman
Terek Esplin - Journeyman Lineman Foreman
Todd Crowther - Warehouseman

HATCH

Adam Sawyer - Journeyman Lineman
Beau Sylvester - Apprentice Lineman
Clayton Johnson - Meter Technician
Cole Twitchell - Substation Technician
Flint Chynoweth - Area General Foreman
Guy Renzello - Maintenance General Foreman
Jake Sawyer - Journeyman Lineman
Josh Chappell - Area General Foreman
Josh Ferrin - Journeyman Lineman
Justin Cooper - Journeyman Lineman
Justin Miller - Operations Superintendent
Justin Spencer - Purchasing Specialist
Kaden Pollock - Staking Technician
Kessler Blood - Mechanic
Korde Chynoweth - Journeyman Lineman
Nikki Dinges - Metering Supervisor
Ralph Wilcock - Meter Reader Tech
Rob Wolfley - Area Manager
Susie Anderson - Member Service Rep

KANAB (cont...)

Tony Baird - Substation Tech. Apprentice
Trace Torgersen - Journeyman Lineman
Travis Fox - GIS Map Technician
Trevor Lathim - Journeyman Lineman
Tyler Gates - Safety Loss Control Coordinator
Wade Brush - Journeyman Lineman
Waylon Robinson - ROW - Maintenance
Wes Hoyt - Substation Controls Supervisor
Wes Troy - Meter Technician
Zeb Rogers - Staking Technician

LOA

Brad Webb - Area General Foreman
Brage Greenhalgh - Apprentice Lineman
Candis Fillmore - Member Service Rep.
Cary Simmons - Accounting
Courtney Cropper - Line Substation Controls
Dalton Hoyt - Journeyman Lineman
Denise Macklin - Accounting Clerk
Derek Woolsey - Journeyman Lineman Foreman
Heather Torgerson - HR Manager/Accounting
Marcus Lewis - Finance Manager / CFO
Paige Tomlinson - Accounting Clerk
Saige Johnson - Accounting Supervisor
Taylor Albrecht - Meter Technician

PROPANE

Adam Millett - Propane Delivery
Bobby Owens - Propane Delivery
Dan Hatch - Propane Delivery
Derrick Pollock - Service Tech.
Dustin Riddle - Customer Experience Mgr.
James Hoyt - General Manager
Matt Spencer - Service Tech.
Robert Matthews - Propane Delivery



OPERATIONS REPORT

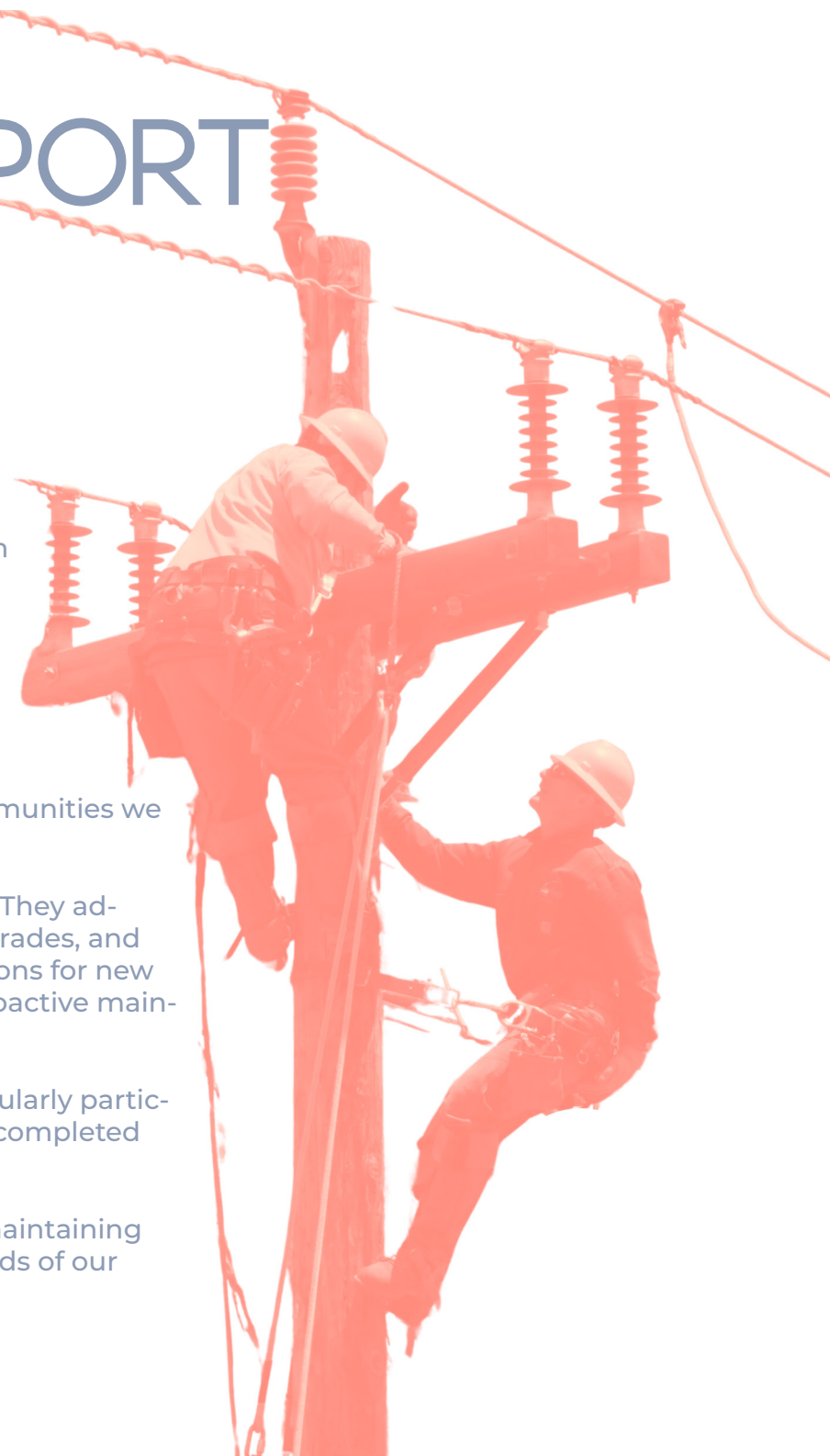
This past year presented both routine operational demands and unexpected challenges for Garkane Energy. Our operations team remained focused on delivering safe, reliable electric service across our diverse and often rugged service territory while responding to events that tested the resilience of our system.

One of the most significant challenges occurred during a large wildfire that impacted portions of our northern system in Wayne County and surrounding areas. The fire caused widespread disruptions, including damaged infrastructure, extended outages, and restricted access for crews. Despite these obstacles, our lineworkers and operations staff responded quickly and safely, coordinating closely with emergency personnel to restore power as conditions allowed. Their dedication and professionalism minimized downtime and ensured the safety of both our employees and the communities we serve.

Throughout the year, our team completed 694 work orders. They addressed system maintenance, new service installations, upgrades, and reliability improvements. These efforts included line extensions for new members, pole replacements, equipment upgrades, and proactive maintenance to strengthen system performance.

Safety remains a top priority in all operations. Our crews regularly participate in training and safety programs to ensure every job is completed with the highest standards of care and accountability.

As we look ahead, Garkane Energy remains committed to maintaining and improving our electric system to meet the evolving needs of our members.



“LET’S GET
AFTER IT”



