



Piedmont Electric
COOPERATIVE

**Piedmont Electric's
2023 Annual Meeting**

**MEMBERS
MATTER**

85 YEARS OF SERVING OUR MEMBERS



Piedmont Electric
COOPERATIVE



WELCOME

BILL BARBER
CHAIR, BOARD OF DIRECTORS

2023 ANNUAL MEETING

BOARD OF DIRECTORS

District 1 - David Poythress, Secretary

District 2 - Randy Kinley, Vice Chair

District 3 - Cy Vernon

District 4 - Stephen Long

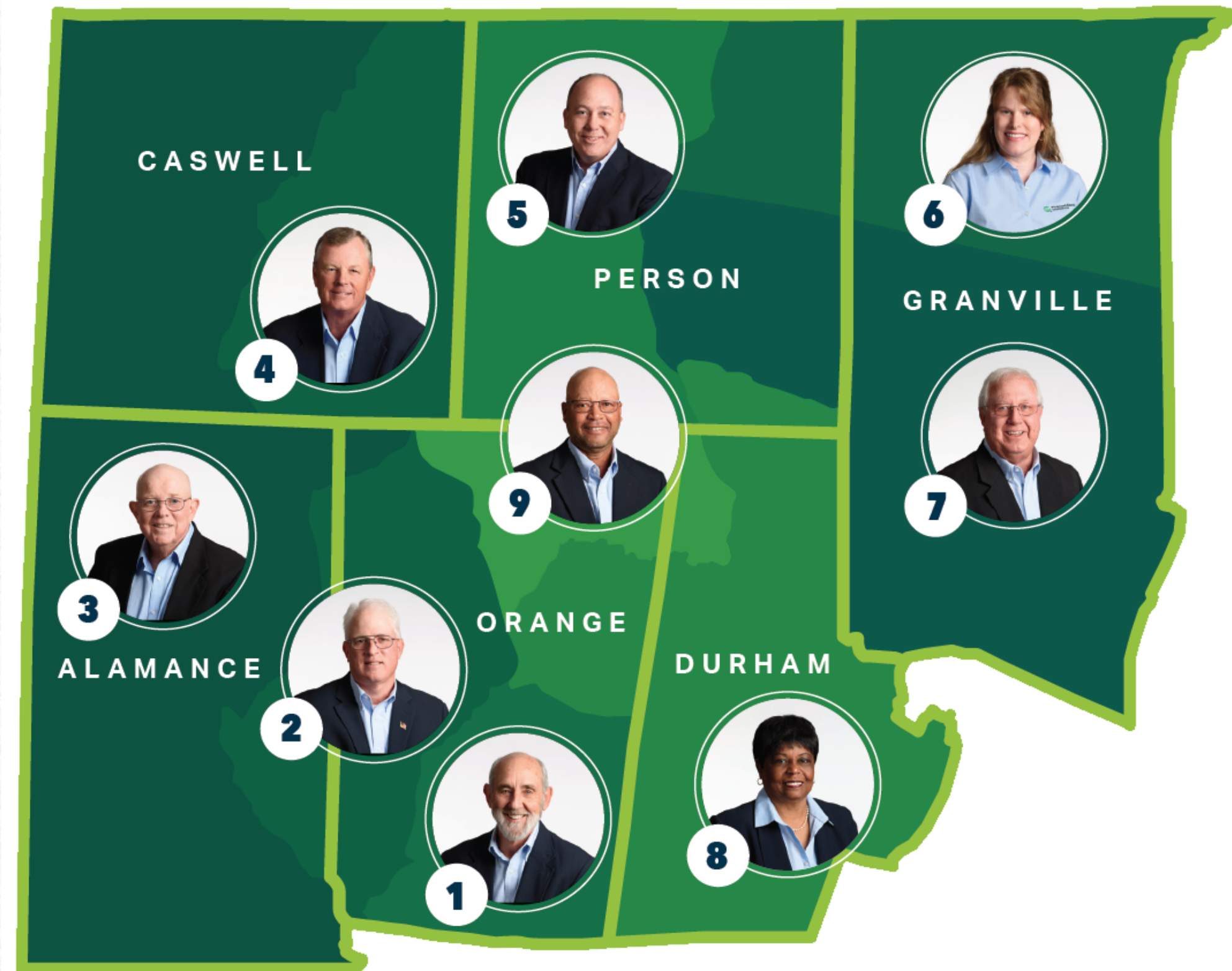
District 5 - Steven P. Bailey

District 6 - Beth Townsend

District 7 - Bill Barber, Chair

District 8 - V. Kay Scurlock-Ferguson

District 9 - Richal Vanhook, Treasurer



Piedmont Electric
COOPERATIVE



Piedmont Electric
COOPERATIVE



OFFICIAL NOTICE

MIKE PARKER
ATTORNEY

2023 ANNUAL MEETING

Steve Hamlin
General Manager



Piedmont Electric
COOPERATIVE



**Piedmont Electric's
2023 Annual Meeting**

**MEMBERS
MATTER**

85 YEARS OF SERVING OUR MEMBERS

Presentation available online



pemc.coop/annual-meeting



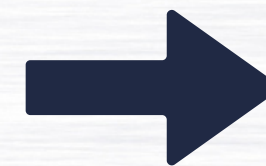
Piedmont Electric has met the challenges of inflation and supply chain issues by working hard to manage these costs and source the materials we need.



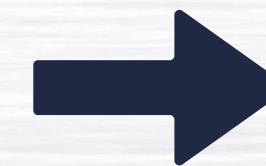


The cost of a 15 kVA transformer has increased 52.7% in the past two years.

2020
\$693



2021
\$896



2022
\$1,058



The cost of 350 underground wire has increased 65.8% in the past two years.

2020
\$1.99/ft → **2021**
\$2.71/ft → **2022**
\$3.30/ft



Over the past two years, we have built approximately 40 new miles of line.



In 2022, natural gas accounted for about 33% of our energy portfolio with prices 65.8% higher in 2022 than in 2021.

Maintaining Rates in a Rising Cost Environment



Low-cost Practices



Fixed Rate Adjustment



Cost-of-Service Study



Piedmont Electric
COOPERATIVE

FINANCIAL SUMMARY

2023 ANNUAL MEETING

CONSOLIDATED STATEMENTS OF OPERATIONS

2022

2021

Operating Revenues \$67,085,281 \$65,666,340

Operating Expenses

Cost of power \$34,104,858 \$33,261,347

Other operating expenses 18,530,798 16,721,703

Net operating margins 14,449,625 15,683,290

Depreciation (8,269,932) (7,941,963)

Interest (3,183,438) (2,976,732)

Net non-operating margins 463,263 532,245

Total Net Margins \$3,459,518 \$5,296,840

CONSOLIDATED STATEMENTS OF OPERATIONS

INTEREST & DEPRECIATION

Other significant costs include \$3.2 million in interest and \$8.3 million in depreciation.

	2022	2021
Net operating margins	14,449,625	15,683,290
Depreciation	(8,269,932)	(7,941,963)
Interest	(3,183,438)	(2,976,732)
Net non-operating margins	463,263	532,245
Total Net Margins	\$3,459,518	\$5,296,840

CAPITAL CREDITS

CAPITAL CREDITS*	2022	2021
Capital Credits Retired to Members		
Estate retirements	\$669,926	\$612,042
General retirement	1,230,425	1,354,790
Total Retired	\$1,900,351	\$1,966,832

*These amounts reflect actual capital credits retired and may not reflect future capital credits.

CONSOLIDATED BALANCE SHEETS

20222021

Assets

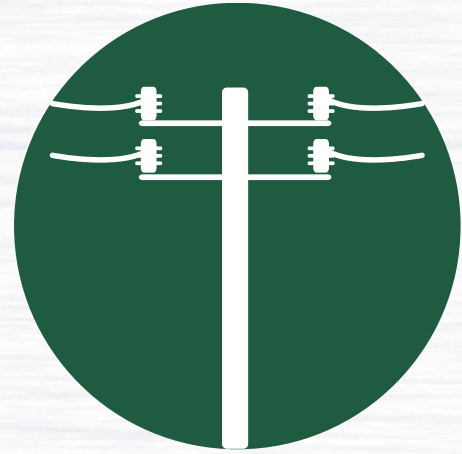
Total net utility plant	\$195,720,653	\$185,659,868
Other property and investments	14,470,371	15,940,225
Current assets	18,828,057	10,607,651
Prepaid expenses and deferred charges	2,137,436	2,155,832
	\$231,156,517	\$214,363,576

Members' Equity and Liabilities

Members' equity	\$70,943,014	\$69,090,612
Noncurrent liabilities	132,416,061	112,116,757
Current liabilities	28,859,636	26,519,994
Deferred credits	(1,062,194)	6,636,213
	\$231,156,517	\$214,363,576

CONSOLIDATED
BALANCE SHEETS

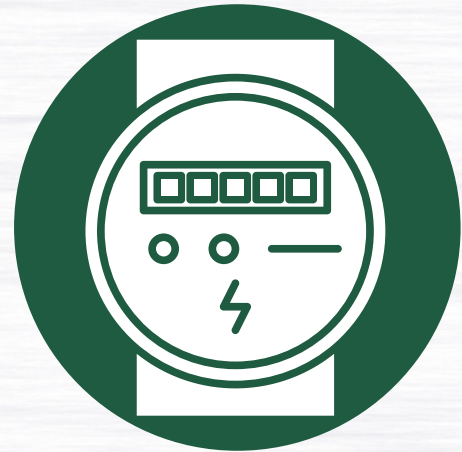
Looking to last year...



3,600 miles of line



Purchased 530 million kWh



33,800 electric accounts



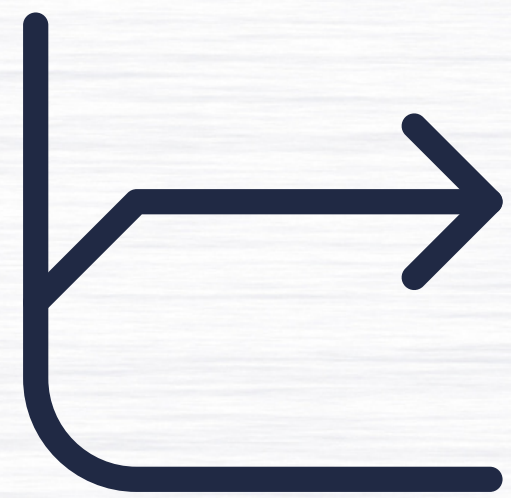
89% residential accounts



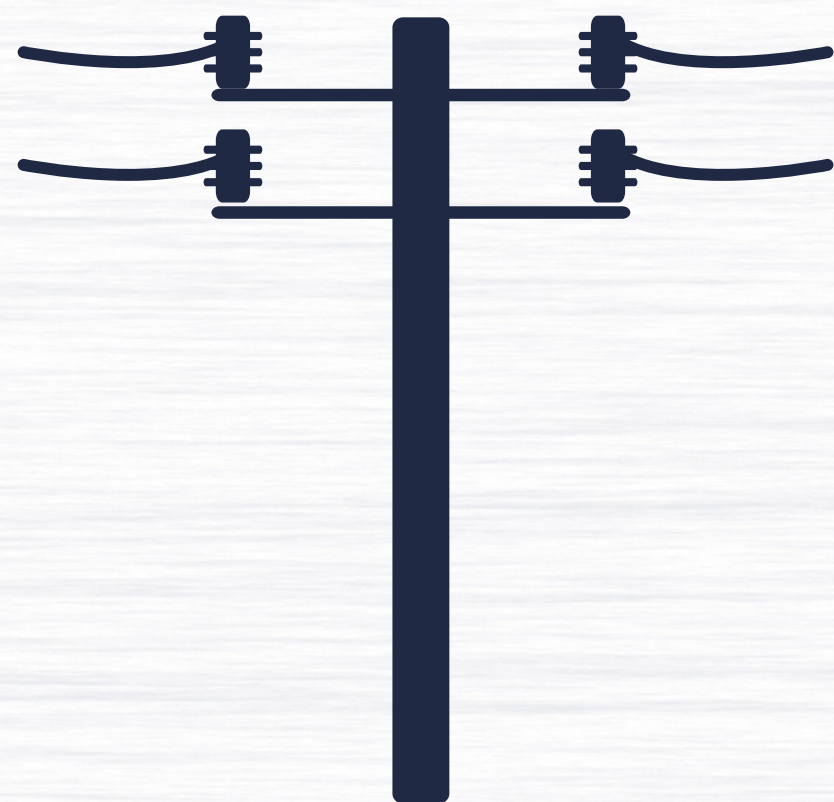
11% commercial accounts



Power was on 99.98% of 2022



**No general rate
increase since 2014.**



Executing a four-year workplan to further strengthen our system, improve reliability and make maintenance easier.



**Electricity remains
a good value.**

Storm Response



Looking to last year...

Hurricane Ian

Our largest outage last year was due to damage caused by this hurricane. Approximately 27% of our members lost power, but our crews worked to restore power within three days.

Strengthening Reliability



Looking to last year...



Infrastructure Upgrades



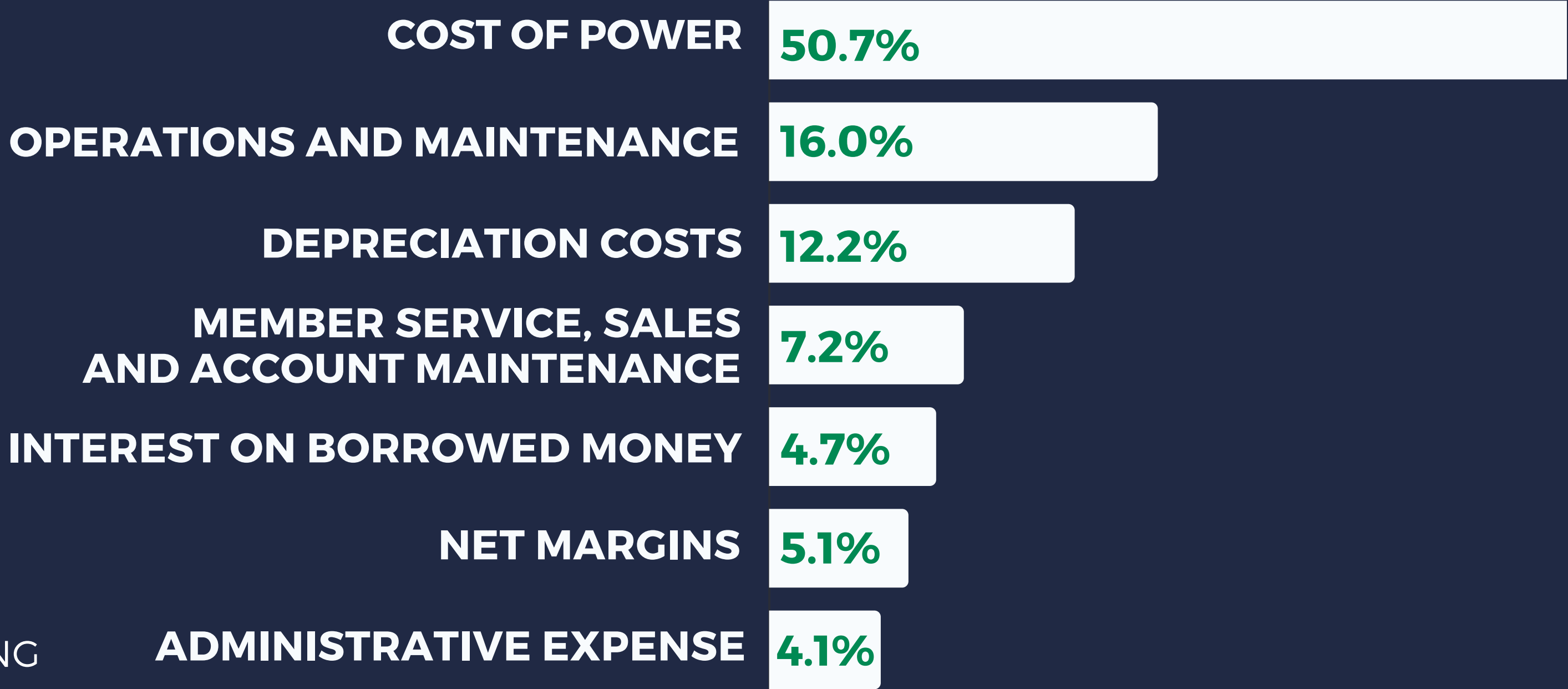
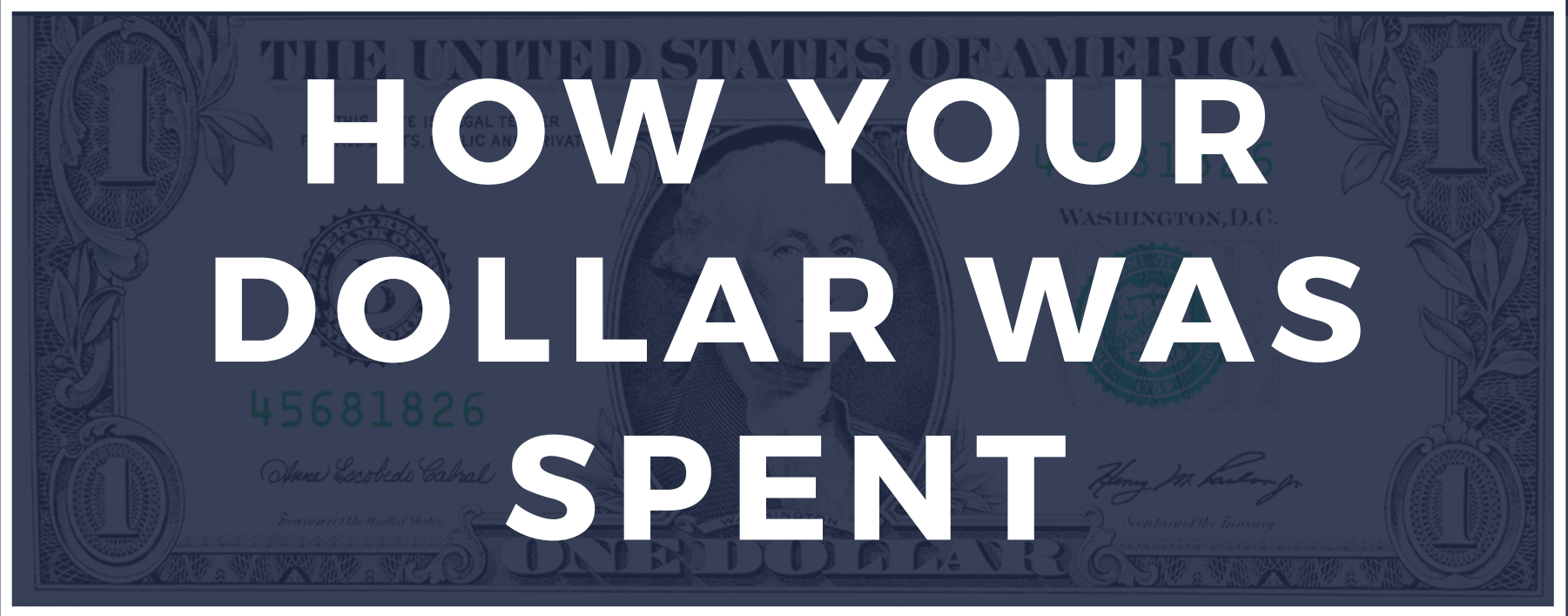
New Meters

Member Satisfaction



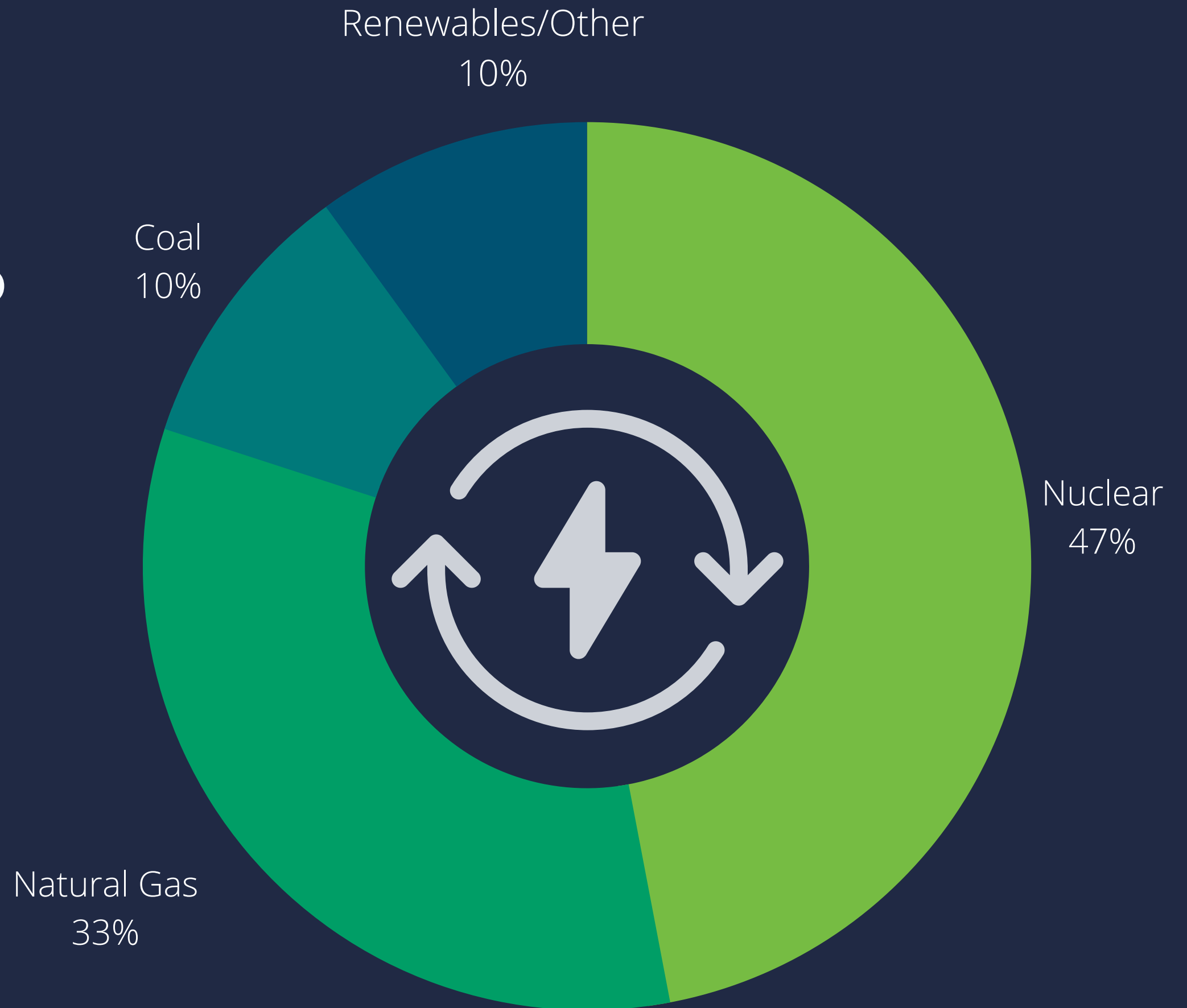
American Customer
Satisfaction Index

**Piedmont Electric's
ACSI Score was 89**



Balanced Energy Portfolio

As we look into the future, we anticipate having less coal in our energy mix, more renewables and natural gas with carbon-free nuclear still accounting for about half of our power mix.





**Net-zero carbon
emissions by 2050**



MEMBERS MATTER

**We gather member
feedback through
phone surveys and
online focus groups.**



For the past decade, we have partnered with the USDA to offer our Rural Economic Development Loan & Grant (REDLG) program.

PIEDMONT ELECTRIC HAS GRANTED
\$18,500,000
IN ZERO-INTEREST
COMMUNITY LOANS





PIEDMONT ELECTRIC'S
**HELPING
HAND**
FOUNDATION

\$130,000

IN COMMUNITY GRANTS AWARDED

**MEMBERS ENCOURAGED TO DONATE AT
PEMC.COOP/DONATE**

**Thank you for the
member support as we
work together to build a
brighter future.**







Piedmont Electric
COOPERATIVE



ELECTION RESULTS

MIKE PARKER
ATTORNEY

2023 ANNUAL MEETING



Piedmont Electric
COOPERATIVE



\$100 BILL CREDIT WINNERS



SUSAN CASHION
VP, COMPLIANCE & ADMINISTRATIVE OFFICER

2023 ANNUAL MEETING



Piedmont Electric
COOPERATIVE

\$100 BILL CREDIT WINNERS



EVELYN MILES

ALAMANCE COUNTY - DISTRICT 2

AMANDA DAVIS

DURHAM COUNTY - DISTRICT 8



Piedmont Electric
COOPERATIVE

**Thank you for
being a member**
and for voting online or through mail-in ballots.

2023 ANNUAL MEETING