

# Powering Progress

Annual Report 2023



Piedmont Electric  
COOPERATIVE



# Powering Progress

“Powering Progress” is not just a slogan but a commitment that echoes through every aspect of Piedmont Electric Cooperative. Through innovative programs, energy-saving initiatives and community partnerships, Piedmont Electric strives to enhance the quality of life in the community we serve.

We are powering progress in our communities by providing reliable and affordable electricity and actively engaging with members to address their evolving needs. At Piedmont Electric, you are not just a customer, you are a member. That makes you a part of the cooperative with a voice in our operations and a stake in our success.

Your influence is felt through your direct participation in electing our local board of directors, and your thoughts matter as we continually seek your input through surveys, online focus groups and interactions with our dedicated team.

We actively listen to your needs, shaping programs and services that benefit you, helping you save energy and money. By prioritizing the well-being of our members, electric cooperatives play a pivotal role in advancing progress and resilience in local communities.

At Piedmont Electric we envision a future where we create superior value for our members in an ever-changing energy environment. Together, we are shaping a future where our communities thrive, and you have the reliable energy partner you deserve.



**Stephen B. Hamlin**

**President and  
General Manager**

**Mission:** To enhance the quality of life in our communities by empowering and partnering with our members.

**Vision:** Create superior value for our members in an ever changing energy environment.

# Powering Progress: By the Numbers

Your local cooperative provides the power for so many of the things that make our communities a great place to live, work and raise a family. From homes to hospitals, school yards to barn yards, shopping malls to science class, pizza to picnics and everything in between we power the most important part of Piedmont Electric Cooperative: You!



**34,000 accounts**

Serving more than 34,000 accounts across Alamance, Caswell, Durham, Granville, Orange and Person counties.

More than 430 members have installed solar on their property.

**12% commercial and industrial**

We powered your shopping, dining, working, learning, recreation and more.

More than 1,700 of those accounts chose to use our time-of-day rate and shift electricity use away from peak times. This saves money for the member and the co-op!

**88% residential**

Of those accounts, nearly 9 out of 10 are places someone called home.



**3,667 miles of line**

That electricity flowed across enough powerlines to stretch from Hillsborough to Albuquerque, N.M. and back.



**507,000,000 kWh**

We purchased more than half a billion kWh of electricity to power our members in 2023.



**99.96%**

Through hurricanes and ice storms, we kept power on 99.96% of 2023.



McNair, McLemore, Middlebrooks & Company, of Macon, Georgia, audited the Consolidated Financial Statements as of December 31, 2023 and 2022. The auditors have issued an unqualified opinion on those statements. The complete Independent Auditor's Report is available for inspection at the cooperative's headquarters office in Hillsborough, N.C.

The Consolidated Balance Sheets and Consolidated Statements of Operations contained in this report are derived from the audited financial statements and reflect a continued strong financial position.

Until retired as capital credits, our 2023 total margins of \$5,001,911 will be used to upgrade and expand Piedmont Electric's system to provide you, our members, with optimum service.

**CAPITAL CREDITS** reflect each member's ownership in Piedmont Electric. Any margins or revenues related to the sale of electric service remaining after all expenses have been paid are allocated to the co-op members in proportion to their total bills. The allocation factor, which determines your share of the co-op's margin for 2023, is 6.63%.

#### CAPITAL CREDITS EXAMPLE

<b>Year 2023 allocation</b>	6.63%
<b>Excluding sales tax, if your total bills are</b>	\$500
<b>Your capital credit allocation will be</b>	\$33.15



**Richal Vanhook**  
Board Treasurer

## Financials

### HOW YOUR DOLLAR IS SPENT

COST OF POWER 52.8%

OPERATIONS AND MAINTENANCE 13.6%

DEPRECIATION COSTS 11.3%

MEMBER SERVICE, SALES AND ACCOUNT MAINTENANCE 6.9%

NET MARGINS 6.5%

INTEREST ON BORROWED MONEY 4.9%

ADMINISTRATIVE EXPENSE 4.0%

CONSOLIDATED STATEMENTS OF OPERATIONS	2023	2022
Operating Revenues	\$76,232,248	\$67,085,281
<b>Operating Expenses</b>		
Cost of power	\$40,493,078	\$34,104,858
Other operating expenses	18,840,224	18,530,798
Net operating margins	16,898,946	14,449,625
Depreciation	(8,633,858)	(8,269,932)
Interest	(3,719,922)	(3,183,438)
Net non-operating margins	456,745	463,263
<b>Total Net Margins</b>	<b>\$5,001,911</b>	<b>\$3,459,518</b>
<b>CAPITAL CREDITS*</b>	<b>2023</b>	<b>2022</b>
<b>Capital Credits Retired to Members</b>		
Estate retirements	\$662,646	\$669,926
General retirement	629,923	1,230,425
<b>Total Retired</b>	<b>\$1,292,568</b>	<b>\$1,900,351</b>

CONSOLIDATED BALANCE SHEETS	2023	2022
<b>Assets</b>		
Total net utility plant	\$205,891,592	\$195,720,653
Other property and investments	13,344,514	14,470,371
Current assets	14,648,068	18,828,057
Prepaid expenses and deferred charges	2,147,242	2,137,436
	<b>\$236,031,416</b>	<b>\$231,156,517</b>
<b>Members' Equity and Liabilities</b>		
Members' equity	\$75,248,377	\$70,943,014
Noncurrent liabilities	142,779,287	132,416,061
Current liabilities	19,129,542	28,859,636
Deferred credits	(1,125,790)	(1,062,194)
	<b>\$236,031,416</b>	<b>\$231,156,517</b>

AT YEAR ENDING...	2023	2013	2003
Miles of line energized	3,667	3,500	3,296
Number of members served	34,291	31,167	28,847
Total kWh purchased	507,506,646	494,631,508	459,283,893
Total kWh sold	488,721,620	462,587,739	424,920,652

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

# Piedmont Electric's Helping Hand Foundation

A core principle of the cooperative model has always been our collective strength. In that spirit, the Helping Hand Foundation has used the small monthly donations from thousands of members rounding up their monthly power bill to help assist thousands in our communities.

From helping low-income families and seniors stay warm in the winter through energy assistance programs to encouraging new and innovative learning with local students, the foundation has provided much-needed resources to those in our community.

We thank everyone who is currently or has contributed to the foundation in the past. If you are interested in helping improve our communities, please consider making a recurring or one-time donation to the foundation by visiting [pemc.coop/donate](https://pemc.coop/donate) or by calling 800.222.3107.

A special thank you to the foundation board members who have so graciously volunteered their time.

Keith Epstein, President

Gwen Vaughn, Vice President

Heidi York, Secretary/Treasurer

Jeff Cabe

Doris Carver

Aaron Nelson

## HELPING HAND FOUNDATION REPORT

<b>BEGINNING BALANCE 1/1/2023</b>	\$105,967
Contributions Received	183,243
Interest Earned	2,965
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$292,175</b>
Grants and Assistance Funded	(165,002)
Operational Expenses	10,690
<b>ENDING BALANCE 12/31/2023</b>	<b>\$116,483</b>

## Organizations that received a grant in 2023

4-H of Caswell County

4-H of Orange County

4-H of Person County

B3 Community Program

Bright Ideas teacher grants

Caswell County

Broadband

College and community

college scholarships

Energy assistance county

programs

Family Reading Partners

Habitat for Humanity of

Orange County

Kingdom Reins Ranch &

Stables

Orange Soil & Water

Conservation

Piedmont Electric's food

and clothing drive

UNC Jaycee Burn Center

Washington Youth Tour



Interested in helping those in your community? Visit [pemc.coop/donate](https://pemc.coop/donate), email [info@pemc.coop](mailto:info@pemc.coop) or call **800.222.3107** to learn more.

# Powering Progress: Looking back at 2023

Each year the staff of Piedmont Electric works tirelessly to continue to improve service to our members. Check out a few of the ways we continued to improve our exceptional service to you.

## Celebrating 10 Years of REDLG

Piedmont Electric marked a significant milestone last year as we commemorated 10 years of collaboration with the United States Department of Agriculture (USDA) through the Rural Economic Development Loan & Grant (REDLG) program. Over the past decade, this invaluable partnership has allowed us to play a pivotal role in advancing community development initiatives, with a special focus on enhancing emergency response services and supporting local schools. Since the inception of our REDLG program, we have facilitated the allocation of more than \$19.5 million in USDA funding to local organizations for various community improvement projects including the purchase of 36 fire trucks, 6 ambulances and the construction of 7 fire stations, 2 schools and a public library. Our ongoing commitment to the REDLG program not only reflects our dedication to community development but also our unwavering focus on the well-being of our residents.

## Continued Support for Rural Broadband

Piedmont Electric remains steadfast in our commitment to bridging the digital divide by actively supporting initiatives to enhance rural broadband access. Last year, Piedmont Electric's Helping Hand Foundation donated \$25,000 for Caswell County's Completing Access to Broadband (CAB) program. By investing in broadband expansion projects, we are helping contribute to closing the digital gap, empowering rural communities with improved access to educational resources, telemedicine, business opportunities and essential services.

## Powering Member Communications

We enhanced member communications last year, debuting a new phone system and mobile-friendly website. The implementation of a new phone system

facilitates efficient communication and introduced a live chat feature online, providing members with instant support and real-time assistance. Additionally, the upgraded website ensures that members can seamlessly access information and services on the go. Our new website and phone system underscore Piedmont Electric's dedication to powering not only homes but also the vital communication links that keep members informed and engaged.

## Rock-Solid Reliability

Last year the co-op initiated and completed a series of projects aimed at enhancing the resilience and efficiency of our electrical infrastructure. These projects include a circuit upgrade on NC-86 to facilitate Chapel Hill Transit's EV buses and other fleet vehicles. The co-op also began construction of the new Eubanks Substation in Orange County. Other important projects include preparations for the North Roxboro transformer and protection upgrade and Mebane Oaks substation conversion to 100 kV. These projects strengthen service reliability, ensure the resilience of our infrastructure and proactively address the challenges and opportunities in a dynamic energy landscape.

## Project Success: Full Deployment of New Meters

By the end of 2023, approximately 99 percent of the meters on our system were successfully replaced to deliver the best possible service to our valued members. These enhanced meters help with faster outage responses, provide enhanced information for our members and optimize the efficiency of our electric grid.



# Powering Progress: Looking ahead in 2024 and beyond

Being a local co-op helps us better understand what our members will want and need as our community continues to grow. This understanding helps us develop plans to continue to provide excellent service to our members for years to come.

## Building a Brighter Future

Piedmont Electric is committed to providing electricity to members at the lowest possible cost while also enhancing sustainability, setting a significant goal of net-zero carbon emissions by 2050. To meet this target and ensure reliability and affordability, Piedmont Electric and North Carolina's electric cooperatives are prioritizing emissions-free nuclear energy and coordinating a growing number of renewable resources, natural gas and new technologies through advanced grid operations.

## Beneficial Electrification

One of the biggest ways we are building a brighter future is by supporting beneficial electrification and advancing initiatives that promote energy efficiency, reduce environmental impact and enhance the overall well-being of a community. We are helping facilitate Chapel Hill Transit's adoption of electric buses and fleet vehicles by offering a special off-peak rate and designing a transformer to power the charging stations. In addition, we continue to promote the use of electric vehicles as an alternative to traditional gasoline-powered vehicles, offering members EV rebates and special rates. Moving forward, Piedmont Electric will continue to champion the adoption of electric technologies contributing to a more sustainable and efficient energy future for our members and communities.

## Protecting the Bottom Line for Members

Piedmont Electric is committed to keeping our members well-informed and empowered to manage energy costs effectively in the face of a rising cost environment. Your cooperative is dedicated to working diligently to keep rates as low as possible. In addition, we will continue to provide reliable and affordable electricity to our members while maintaining operational efficiency, providing innovative solutions to manage energy and leveraging a balanced energy portfolio. Rest assured that your cooperative is committed to safeguarding the financial well-being of our members both now and in the future amidst the challenges of this ever changing economic landscape.

## SEVEN COOPERATIVE PRINCIPLES

VOLUNTARY AND  
OPEN MEMBERSHIP

DEMOCRATIC  
MEMBER CONTROL

MEMBERS' ECONOMIC  
PARTICIPATION

AUTONOMY AND  
INDEPENDENCE

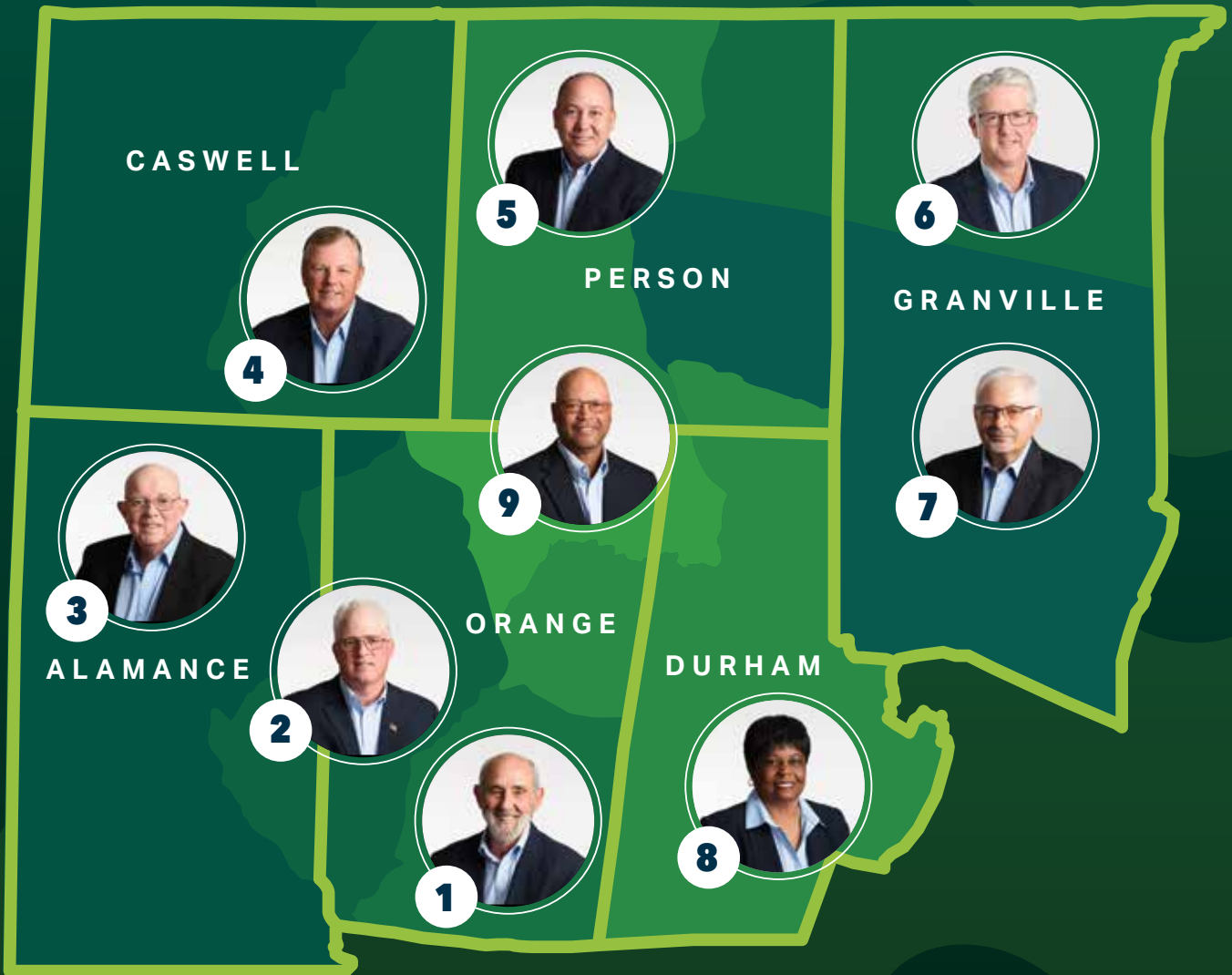
EDUCATION, TRAINING  
AND INFORMATION

COOPERATION AMONG  
COOPERATIVES

CONCERN  
FOR COMMUNITY



# Board Of Directors



**DISTRICT 1** David Poythress, Secretary  
**DISTRICT 2** Randy Kinley, Chair  
**DISTRICT 3** Cy Vernon

**DISTRICT 4** Stephen Long  
**DISTRICT 5** Steven P. Bailey, Vice Chair  
**DISTRICT 6** Darren Chalk

**DISTRICT 7** Jimmy Thomas  
**DISTRICT 8** V. Kay Scurlock-Ferguson  
**DISTRICT 9** Richal Vanhook, Treasurer



**Piedmont Electric**  
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Piedmont Electric is an equal opportunity provider and employer.



800.222.3107



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