



Piedmont Electric
COOPERATIVE

CONNECTED BY POWER UNITED BY PURPOSE

**20
24**
ANNUAL REPORT



CONNECTED BY POWER, UNITED BY PURPOSE

This past year was one of transition and growth for Piedmont Electric Cooperative. Since I joined the co-op in July, we have reaffirmed our commitment to providing our members with reliable, affordable, environmentally responsible power with exceptional service.

I am proud to report that, even amid challenges, our cooperative remains steadfast in its commitment to providing reliable service while finding ways to reduce costs.



We know that inflation has impacted everyone, and your local cooperative is no different. Despite increasing costs for our materials and services, we continue to look for ways to streamline processes and lower expenses while still improving the value we deliver to our members. These efforts will continue to be a priority for us as we navigate the ever-evolving energy landscape.

Reliability is the cornerstone of our operations, and we have plans to further strengthen the resiliency of our grid. At the same time, we remain committed to exceptional service, listening to your feedback and ensuring that every decision reflects the needs of our membership.

I look forward to building on the cooperative's strong foundation and working with our members to achieve a bright and sustainable future. Thank you for your trust and support.

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.

Jordan Overbee

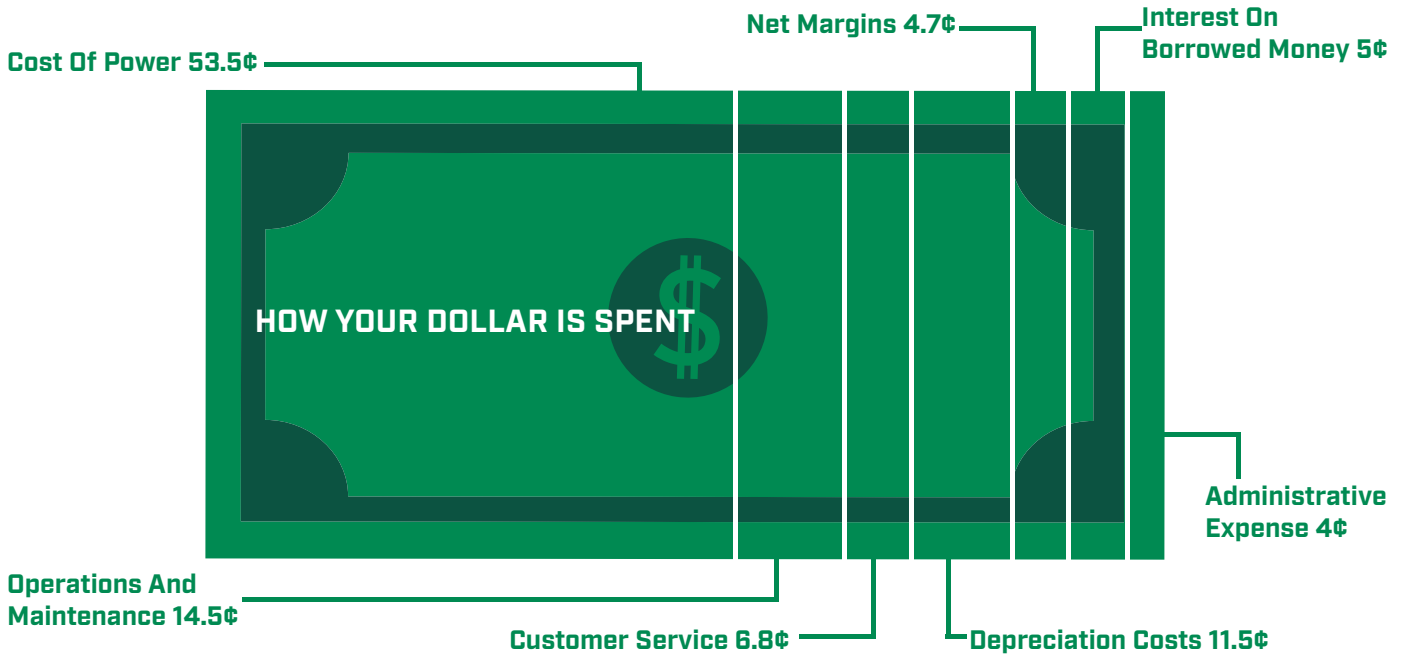
**President and
General Manager**

DELIVERING AFFORDABLE ENERGY IN A CHANGING LANDSCAPE

OUR COMMITMENT TO AFFORDABILITY

At Piedmont Electric, we are dedicated to keeping energy costs as low as possible while maintaining high standards of service and reliability. We work diligently to ensure that every dollar spent works

harder for our members. As we face rising costs in the energy sector, your co-op remains committed to innovation, efficiency and member-focused solutions to ensure electricity remains both affordable and reliable for our community. Together, we power a brighter, more cost-effective future.



KEY STRATEGIES FOR COST MANAGEMENT

• Modernizing Infrastructure to Improve Efficiency

We've invested in advanced grid analytics, SCADA upgrades and new technologies to optimize system performance, reduce energy losses and prevent outages, saving both time and money for our members.

• Sustainable Financial Planning

Our long-term financial forecasting and cost-of-service analysis ensure rates are fair, transparent and aligned with our commitment to affordability. By continually revisiting our policies, we maintain financial stability without sacrificing our mission to efficiently serve our members.

• Beneficial Electrification Initiatives

Promoting electric vehicle adoption and energy

efficiency programs helps us manage peak energy loads and stabilize costs over the long term.

• More Information Leads to More Efficiency

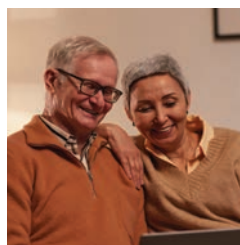
With new, advanced meters we can analyze energy use patterns to identify cost-saving opportunities. This includes optimizing time-of-day rates and helping members proactively reduce peak usage.

• Supporting Members with Transparent Communication

We're empowering members to save money with better access to essential data. A redesigned bill and SmartHub updates provide clearer energy insights, enhanced outage notifications and tools to manage accounts, helping members take control of their energy habits and costs.



MEMBERS ON OUR TIME-OF-DAY RATE SAVE AN AVERAGE OF \$20 PER MONTH — POTENTIALLY ADDING UP TO \$240 ANNUALLY!



PIEDMONT ELECTRIC HAS RETURNED MORE THAN \$34 MILLION IN CAPITAL CREDITS SINCE 1975!

WHY DOES THE POWER GO OUT?

When the power goes out, this is usually one of the first questions we get. Approximately 4 out of 5 outages last year were due to the weather.

When thunderstorms, hurricanes, ice, snow or wind rolls through it can break branches and blow over trees onto power lines.

If the power is out and it isn't the weather then it is likely to be animal intrusion, the public, maintenance or a power supply issue.



Weather
80.5%



Power Supply
9.6%



Equipment Issues
4.5%



Animals/Public
3.7%



Other
1.8%

TELL US ABOUT A DANGER TREE

Piedmont Electric's proactive four-year right-of-way (ROW) clearing schedule helps keep our grid reliable and safe by reducing outages, fire risks and hazards for our crews. We maintain a 15-foot ROW clearance on each side of distribution lines and 50 feet on each side of transmission lines. This ensures safe access for utility crews and helps prevent outages by keeping vegetation clear of power lines.

However, trees outside the ROW, especially dead, uprooted or leaning ones, can still fall and damage power lines, causing lengthy outages and safety risks. While we don't remove healthy trees outside our ROW, we do cut down trees that pose a threat to power lines. If you spot a potentially hazardous tree, call us at **800.222.3107** or email **info@pemc.coop**. We'll assess the tree and if it's a risk, we'll cut it down at no cost.



RELIABLY RELIABLE

In 2024, our power was sustained for 99.92% of the year. This means that through hurricanes, thunderstorms, snow and ice, the average member was out for less than 3 hours the entire year. While the electric grid is an incredibly reliable system, we are always working to make it stronger.

Last year, we completed several major projects to improve reliability and strengthen the system that serves you. Some of these projects included:

- Replacement of protective devices on the distribution system
- Substation upgrades or replacements including at Eubanks, Little River and Bivins
- Transformer replacements at our Mebane Oaks and North Roxboro stations
- West Ten substation design and permitting

This year we will continue to strengthen our reliability and resiliency by:

- Installing new substation transformers
- Upgrading our Supervisory Control And Data Acquisition (SCADA) system
- Replacing underground lines at Bivins and Little River substations

At Piedmont Electric, quality service is at the heart of everything we do. Across every department, we strive to provide exceptional support and solutions that meet the evolving needs of our members.

PIEDMONT ELECTRIC HAS HIGH MEMBER SATISFACTION

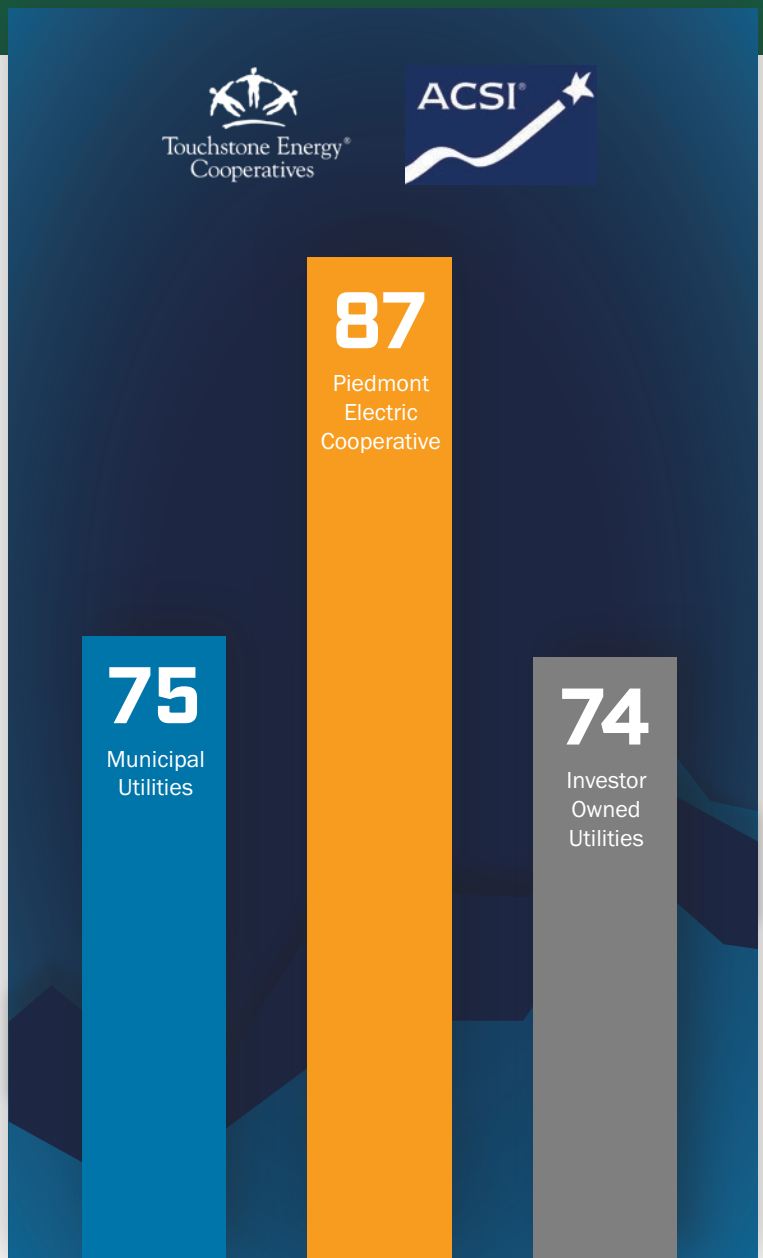
Piedmont Electric Cooperative completed its quarterly member-wide customer satisfaction survey, where more than 200 members were asked to participate. The member responses were sent to the American Customer Satisfaction Index (ACSI®), a company that measures customer satisfaction across multiple industries throughout the entire United States. For 2024, Piedmont Electric received an ACSI score of 87 on a 100-point scale*. Piedmont Electric's score is higher when compared to publicly measured investor-owned utility scores reported in the syndicated 2024 ACSI Energy Utility Study and places Piedmont Electric 13 points higher than the average investor-owned utility score of 74, as well as 12 points higher than the municipal utilities score of 75, per the industry ratings. For more information, please visit theacsi.org/industries/energy-utilities.

LISTENING TO OUR MEMBERS

Understanding our members' perspectives is essential to delivering the best service possible. Through ongoing surveys and initiatives like this year's online focus groups, we actively gather member feedback to shape our operations and ensure we prioritize our members' needs. Based on your feedback we've updated our sign-up process, improved outage communications, streamlined our website and SmartHub portal and much more. If you receive an email invitation to complete an online survey, we would appreciate any feedback you can provide.

EMPOWERING MEMBERS AMID ECONOMIC CHALLENGES

If you are struggling to pay your bill, please contact our offices so we can help. From providing extra days to pay, connecting you with payment resources or helping you manage your energy use, our compassionate member service representatives are here to assist you. If you are able to help others, please consider donating to the Helping Hand Foundation by visiting pemc.coop/donate.



*Compared to publicly measured energy utilities in the ACSI® survey of customers rating their own energy utility. Results based on data provided by Piedmont Electric Cooperative, collected between Oct. 1, 2024 and Dec. 31, 2024. ACSI did not regulate the survey administration or sample size. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC. For more about the ACSI, visit www.theacsi.org.

FINANCIALS

McNair, McLemore, Middlebrooks & Company, of Macon, Georgia, audited the Consolidated Financial Statements for calendar years 2023 and 2024. The auditors have issued a positive opinion on those statements. The complete Independent Auditor's Report is available for inspection at the cooperative's headquarters at 2500 NC 86 S, Hillsborough, NC 27278.

The consolidated balance sheets and consolidated statements of operations contained in this report are derived from the audited financial statements and reflect a continuously strong financial position.

Until retired as capital credits, our 2024 total margins of \$3,762,672 will be used to upgrade and expand Piedmont Electric's system to provide you, our members, with optimum service.



Richal Vanhook
Board Treasurer

CAPITAL CREDITS

Capital Credits reflect each member's ownership in Piedmont Electric. Any net margins or revenues related to our earnings that remain after all expenses have been paid are assigned to the co-op members in relative proportion to their total bills. The allocation factor, which determines your share of the co-op's margin for 2024, is 4.844%.

CAPITAL CREDITS EXAMPLE

Year 2024 allocation	4.844%
Excluding sales tax, if your total bills are	\$500
Your capital credit allocation will be	\$24.22

CONSOLIDATED STATEMENTS OF OPERATIONS	2024	2023
Operating Revenues	\$78,460,451	\$76,232,248
Operating Expenses		
Cost of power	\$42,573,588	\$40,493,078
Other operating expenses	20,134,037	18,840,224
Net operating margins	15,752,826	16,898,946
Depreciation	(9,129,293)	(8,633,858)
Interest	(3,974,006)	(3,719,922)
Net non-operating margins	1,113,145	456,745
Total Net Margins	\$3,762,672	\$5,001,911
CAPITAL CREDITS*	2024	2023
Capital Credits Retired to Members		
Estate retirements	\$682,187	\$662,646
General retirement	1,052,698	629,923
Total Retired	\$1,734,885	\$1,292,569

CONSOLIDATED BALANCE SHEETS	2024	2023
Assets		
Total net utility plant	\$210,507,691	\$205,891,592
Other property and investments	15,200,988	13,344,514
Current assets	15,741,091	14,648,068
Prepaid expenses and deferred charges	1,993,390	2,147,242
	\$243,443,160	\$236,031,416
Members' Equity and Liabilities		
Members' equity	\$77,449,835	\$75,248,377
Noncurrent liabilities	147,713,755	142,779,287
Current liabilities	16,175,219	19,129,542
Deferred credits	2,104,351	(1,125,790)
	\$243,443,160	\$236,031,416

AT YEAR ENDING...	2024	2014	2004
Miles of line energized	3,684	3,511	3,325
Number of members served	34,629	31,301	29,417
Total kWh purchased	543,442,806	514,247,187	475,618,455
Total kWh sold	513,427,340	480,370,608	445,995,052

*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 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 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



Organizations that received a grant in 2024

4-H of Caswell County

4-H of Orange County

4-H of Person County

Boomerang Youth

Bright Ideas teacher grants

Children's Cancer Partners of the Carolinas

College and community college scholarships

Energy assistance county programs

Grady A Brown Elementary

Habitat for Humanity of Orange County

Porch Chapel Hill-Carrboro

Piedmont Electric's food and clothing drive

UNC Jaycee Burn Center

Washington Youth Tour

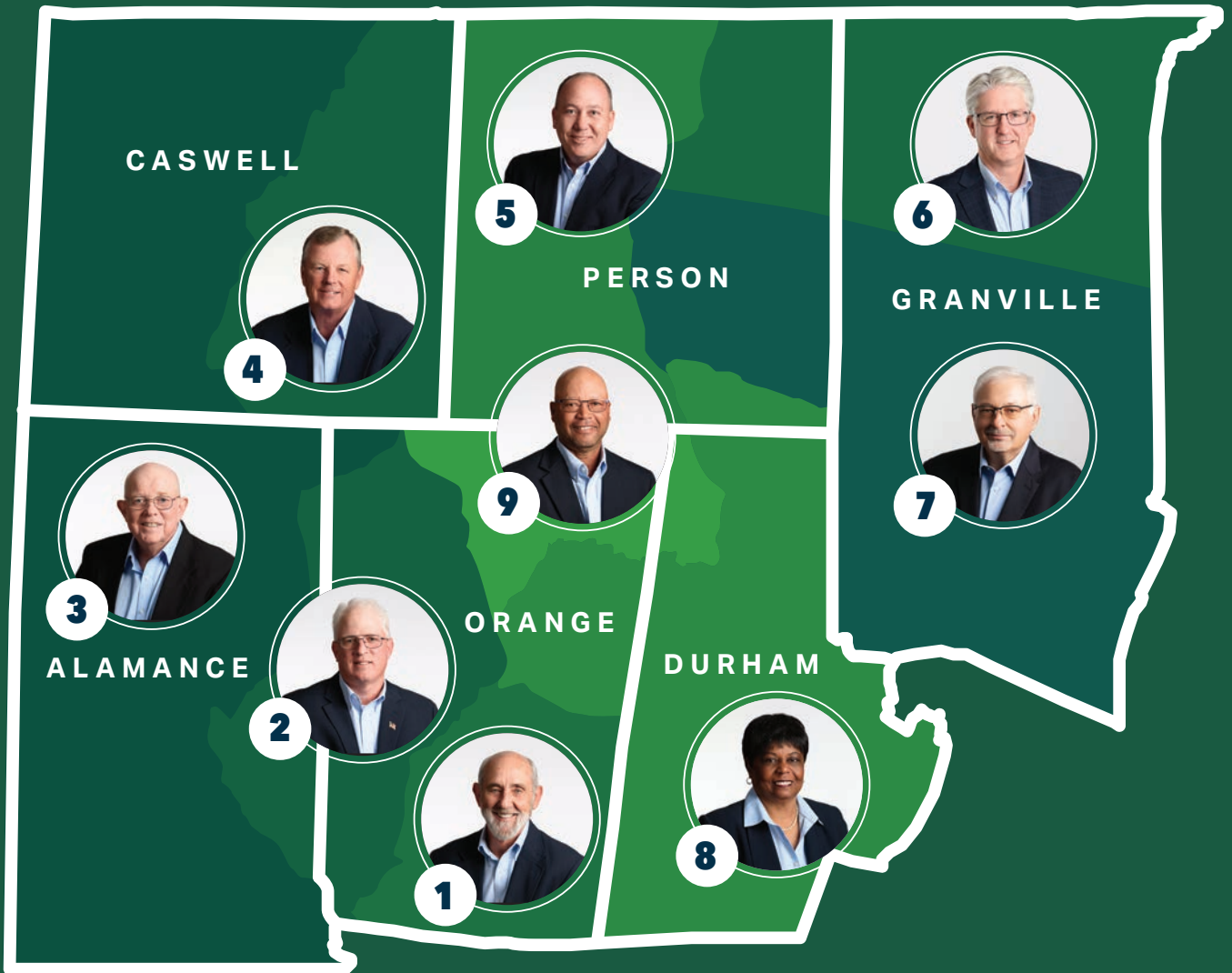


Interested in helping those in your community? Visit pemc.coop/donate, email info@pemc.coop or call **800.222.3107** to learn more.

HELPING HAND FOUNDATION REPORT

BEGINNING BALANCE 1/1/2024	\$116,300
Contributions Received	169,986
Interest Earned	1,494
TOTAL FUNDS AVAILABLE	\$287,779
Grants and Assistance Funded	(161,230)
Operational Expenses	(10,059)
ENDING BALANCE 12/31/2024	\$116,490

BOARD OF DIRECTORS



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

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

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



Piedmont Electric
COOPERATIVE

Piedmont Electric is an equal opportunity provider and employer.

800.222.3107

pemc.coop

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