

POWER YOU *TRUST.*
A FUTURE YOU CAN
COUNT ON.

ANNUAL REPORT 2025



Piedmont Electric
COOPERATIVE

POWER YOU *TRUST*. A FUTURE YOU CAN COUNT ON.

Last year, Piedmont Electric Cooperative took several steps forward in achieving our goals of delivering affordable, reliable power to our members with the type of service you have come to expect from your local electric cooperative.

Piedmont Electric is working towards being a high-performing cooperative. We have created a four-year strategic plan which is already underway. In the first quarter of this year we have already rolled out projects which will drive down costs and enhance technology across our system. These improvements will elevate our service to members.

While keeping costs consistent for members, we undertook several projects to improve reliability including proactive replacement of aging power poles, cutting dead or uprooted

trees leaning toward power lines outside of our right of way and removing unused service equipment as part of our idle service policy. We also quickly restored power after Tropical Storm Chantal ripped through our area in July.

Finally, I am happy to report that during the fourth quarter of last year you, our members, provided us with our highest satisfaction scores in our cooperative's history. We appreciate the feedback of our members and their recognition of our exceptional service.

We continue to look ahead at how we can continue to improve our service to you by further solidifying our reliability, continuing strong financial management and continuous improvement to our member service. Thank you for being a member of Piedmont Electric Cooperative.



Jordan Overbee
President and
General Manager

MISSION:

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

VISION:

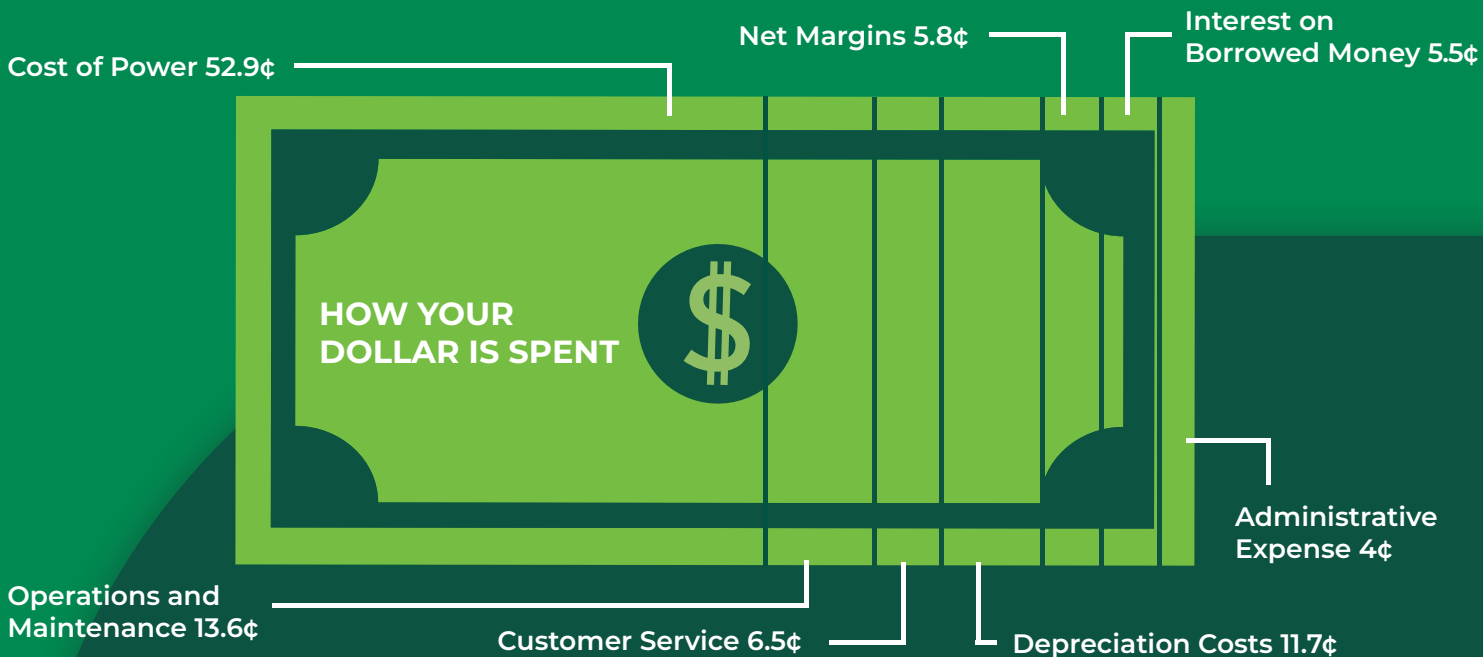
Create superior value for our members in an ever changing energy environment.

DELIVERING AFFORDABLE ENERGY IN A CHANGING LANDSCAPE

OUR COMMITMENT TO AFFORDABILITY

At Piedmont Electric, we are actively exploring ways to control costs wherever 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 continue to face rising costs in the energy industry, 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

• Lowering Peak Demand

Energy used during peak times costs more. These times typically occur weekdays from 1-6 p.m. in the summer and 6-10 a.m. in the winter. Efforts to reduce, delay or spread out energy use helps the cooperative save. As a not-for-profit cooperative, these savings are passed along to all members.

• Constant Monitoring and Sustainable Long-Term Planning

Just like you keep a close eye on your wallet at home, we keep a vigilant watch on the income and expenses of the cooperative. Advanced metering data provides us with the tools to model changes and incorporate them as needed. This helps us control costs and provides our members with stable rates.

• Improving Home Efficiency

Our energy efficiency programs can help you lower your power bill, save energy and reduce your peak demand. Nearly 9 out of 10 accounts with Piedmont Electric are residential which highlights the impact members' homes collectively have on our system. Check out our rebates, rates and programs which help you save even more. Visit our website or contact our local staff to learn more.



**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 \$35 MILLION
IN CAPITAL CREDITS
SINCE 1975!**

DELIVERING DEPENDABLE POWER

Reliable service requires planning, investment and year-round maintenance. Piedmont Electric remains committed to keeping your power on and restoring service safely when outages occur. In 2025, Piedmont Electric delivered power **99.9% of the year**. While the electric grid is an incredibly reliable system, we are continually working to make it stronger and more resilient.

WHAT CAUSES POWER OUTAGES?

Weather remains the leading cause for power outages. Approximately **6 out of 7 outages** last year were related to weather. Thunderstorms, hurricanes, ice, snow and high winds can break branches, uproot trees and damage power lines or equipment. Even a single fallen limb can interrupt service.

Causes of Power Outages



Weather
86%



Power Supply
5.7%



Equipment Issues
2%



Animals/Public
3.9%



Other
2.3%

BUILT FOR RELIABILITY

Projects Completed in 2025

- Replaced protective devices across the distribution system
- Upgraded and improved key substations including our Mebane Oaks, North Roxboro, Cherry Grove, Little River, Carrboro, East Willardsville and Baynes substations.
- Replaced hundreds of aging power poles, the most we have ever completed as part of our preventative maintenance program
- Removed more than 3,600 inactive services which improves efficiency and reduces maintenance costs
- Continued design and permitting for future infrastructure projects including, but not limited to, a new transmission line and substation modifications in the Red Mountain area, a new substation on Helena Moriah Road and improvements along the following roads.
 - Helena Moriah Road and Dink Ashley Road
 - Davis Road and Ode Turner Road
 - Mebane Oaks Road
 - Mt Sinai Road
 - Surl Mount Tirzah Road, Victor Chandler Road and Flat Woods Road
 - Calloway Drive
 - Oak Grove Church Road
 - Cherry Grove Road
 - North Carolina Highway 157 and Berry Pearce Road

Investments Underway This Year

- Installing new protective devices to further sectionalize lines during outages
- Installing technology to more quickly locate transmission faults
- Upgrading our SCADA system and substation communications
- Replacing aging infrastructure
- Reconducting lines identified in our construction work plan

Proactive Vegetation Management

Piedmont Electric's four-year right-of-way (ROW) clearing cycle plays a critical role in reliability. We maintain 15 feet of clearance on

each side of distribution lines and 50 feet of clearance on each side of transmission lines. This ongoing work helps reduce outages, improve safety and provides crews with safe access to restore power quickly. Even with proactive trimming, trees outside the ROW (especially those that are dead, leaning, or weakened) can still fall and cause outages.



Following Tropical Storm Chantal last July, Piedmont Electric restored service to more than 11,000 affected members by rapidly mobilizing internal crews, securing mutual aid and coordinating contractor support. Despite severe flooding and impassable roads, crews prioritized safety, isolated major outages and implemented temporary repairs to re-energize critical circuits. Restoration was completed within 36 hours, reflecting strong planning, teamwork and system resilience.

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.

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.



PIEDMONT ELECTRIC EARNS RECORD CUSTOMER SATISFACTION SCORE

Piedmont Electric Cooperative completed its quarterly member-wide customer satisfaction survey, where more than 6,973 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 2026, Piedmont Electric Cooperative received an ACSI score of **“90”**, on a 100-point scale.* Piedmont Electric Cooperative’s score is higher than all publicly measured utility scores and places Piedmont Electric Cooperative 16 points higher than the average investor-owned utility score of 74, as well as 15 points higher than the municipal utilities score of 75, per the industry ratings in the 2025 ACSI Utility Sector Report. For more information, please visit theacsi.org/industries/energy-utilities.

90

Piedmont
Electric
Cooperative

75

Municipal
Utilities

74

Investor
Owned
Utilities

*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, 2025 and Dec. 31, 2025. 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 2024 and 2025. 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 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 2025 total margins of \$4,794,885 will be used to upgrade and expand Piedmont Electric's system to provide you, our members, with optimum service.



Stephen C. Long
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 2025, is 5.881%.

CAPITAL CREDITS EXAMPLE

Year 2025 allocation	5.881%
Excluding sales tax, if your total bills are	\$500
Your capital credit allocation will be	\$29.41

CONSOLIDATED STATEMENTS OF OPERATIONS	2025	2024
Operating Revenues	\$82,309,155	\$78,460,451
Operating Expenses		
Cost of power	44,057,552	42,573,588
Other operating expenses	19,842,271	20,134,037
Net operating margins	18,409,332	15,752,826
Depreciation	(9,700,131)	(9,129,293)
Interest	(4,584,644)	(3,974,006)
Net non-operating margins	670,327	1,113,145
Total Net Margins	\$4,794,884	\$3,762,672
CAPITAL CREDITS*	2025	2024
Capital Credits Retired to Members		
Estate retirements	\$758,504	\$682,187
General retirement	1,015,459	1,052,698
Total Retired	\$1,773,963	\$1,734,885

CONSOLIDATED BALANCE SHEETS	2025	2024	
Assets			
Total net utility plant	\$218,460,119	\$210,507,691	
Other property and investments	15,023,735	15,200,988	
Current assets	42,084,091	15,741,091	
Prepaid expenses and deferred charges	2,308,124	1,993,390	
	\$277,876,069	\$243,443,160	
Members' Equity and Liabilities			
Members' equity	\$80,698,071	\$77,449,835	
Noncurrent liabilities	176,466,566	147,713,755	
Current liabilities	16,761,507	16,175,219	
Deferred credits	3,949,925	2,104,351	
	\$277,876,069	\$243,443,160	
AT YEAR ENDING...	2025	2015	2005
Miles of line energized	3,694	3,523	3,362
Number of members served	35,076	31,380	29,996
Total kWh purchased	571,684,114	509,730,127	490,374,714
Total kWh sold	539,642,612	475,685,256	457,397,245

*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 a concern for our community. 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.

Thanks to the generosity of our members, the foundation had built up a financial reserve. This reserve was distributed back out into our community this year leading to the highest annual distribution in the foundation's history.

Thank you to everyone who is currently or has contributed to the foundation in the past. If you are interested in helping more, 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**

Joe Bumgarner

Katherine Cathey

Aaron Nelson

HELPING HAND FOUNDATION REPORT

BEGINNING BALANCE 1/1/2025	\$119,362
Contributions Received	182,175
Interest Earned	3,994
TOTAL FUNDS AVAILABLE	\$305,531
Grants and Assistance Funded	(221,256)
Operational Expenses	(10,631)
ENDING BALANCE 12/31/2025	\$73,644



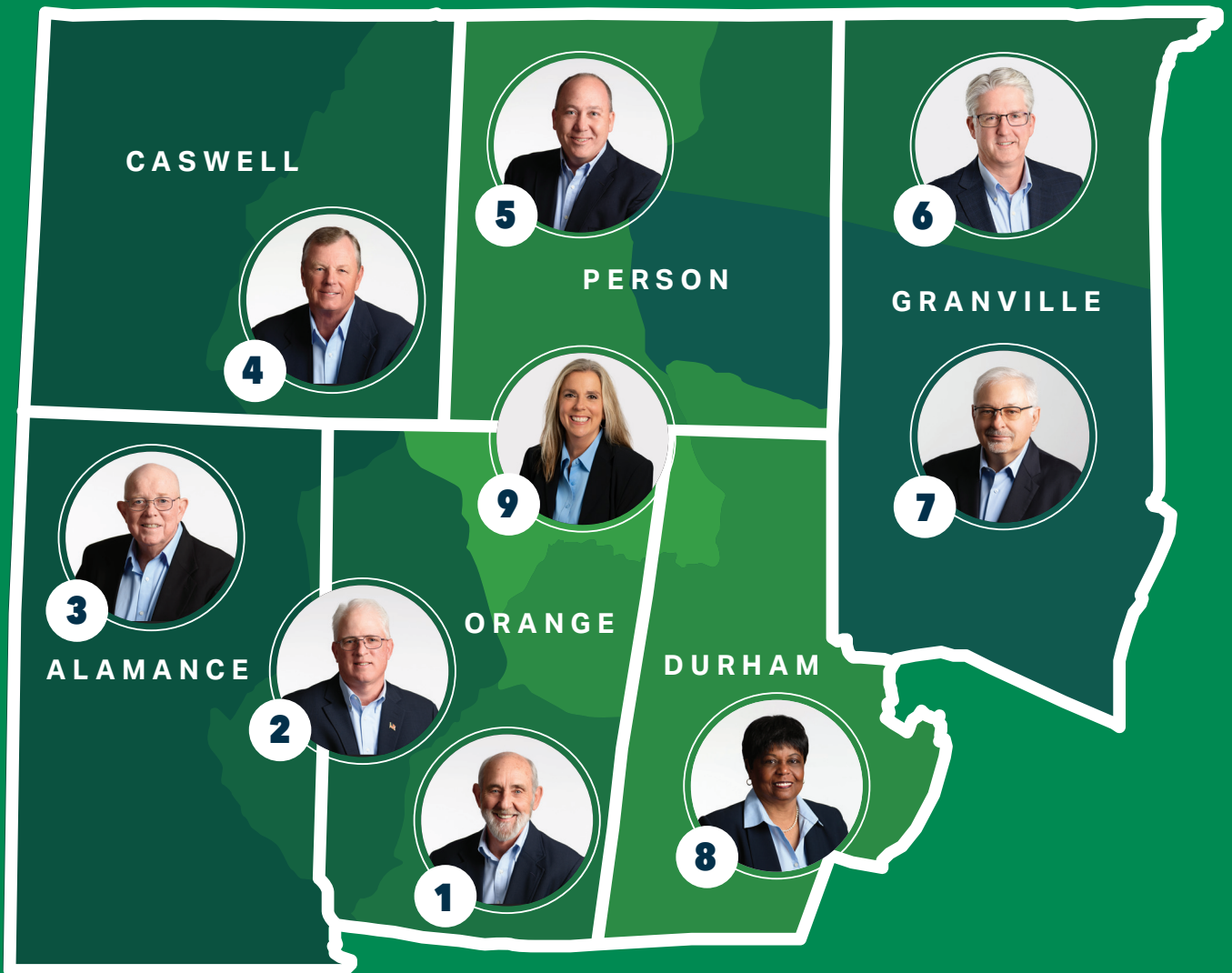
ORGANIZATIONS THAT RECEIVED A GRANT IN 2025

4-H's of Caswell, Orange and Person	North America
An Invitation for Trans4mation	Millie Dunn Veasey DAV Ch 100
B3 Coffee	Mother Love Inc
Beta Club (Senior) Research Triangle High School	OE Enterprises
Bright Ideas teacher grants	Orange County Sheriff's Office Community Organization
Children's Cancer Partners of the Carolinas	Person County Learning Community
Christian Help Center of Person County	Piedmont Electric's food and clothing drive
College and community college scholarships	Piedmont Turkey Giveaway
Community Home Trust	SAFE
CommunityWorx	Second Harvest Food Bank SKJAJA
Habitat for Humanity of Orange County	UNC Jaycee Burn Center Energy assistance county programs
KidsPeace National Centers of	Washington Youth Tour & CCNC Leadership Camp



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

BOARD OF *DIRECTORS*



- DISTRICT 1 David Poythress, Secretary
- DISTRICT 2 J. Randy Kinley, Chair
- DISTRICT 3 Cy Vernon
- DISTRICT 4 Stephen C. Long, Treasurer
- DISTRICT 5 Steven Bailey, Vice Chair
- DISTRICT 6 Darren Chalk
- DISTRICT 7 Jimmy Thomas
- DISTRICT 8 V. Kay Scurlock-Ferguson
- DISTRICT 9 Kim Woods



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Piedmont Electric is an equal opportunity provider and employer.

800.222.3107

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