



2023 ANNUAL REPORT

# KEEPING YOU CONNECTED





# ABOUT US

DEMCO is a local not-for-profit electric cooperative formed in 1938 to bring electricity to southeast Louisiana and owned by the people who receive our services – our members. The first lines of electricity to southeast Louisiana powered 750 meters. Now one of the largest electric co-ops in the country, DEMCO powers 117,458 meters in seven parishes: Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa, and West Feliciana.

What makes us unique is our distinctive business structure, which sets us apart from municipal or investor-owned utilities. DEMCO is a not-for-profit electric cooperative that purchases power from a wholesale power supplier and distributes it to its members.

Local service and attention to our members' unique needs are, in large part, what make our co-op so successful. Your co-op's decisions are guided by a member-elected local board of directors that represents all members.

## OUR MISSION

DEMCO is focused on **ENHANCING** the quality of life for members by providing **SAFE, RELIABLE,** and **COMPETITIVELY PRICED** energy services.





# PRESIDENT'S REPORT

Each year, the President's Report is a vital communication tool, showcasing key milestones and providing insights into DEMCO operations.

## COOPERATIVE PRINCIPLES

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community



**As your dedicated local co-op board, we are committed to serving you, our valued members. Our mission is clear: to deliver energy services safe, reliable, and competitively priced.**

Our commitment to excellence doesn't stop there. Through ongoing professional training and certification, we equip ourselves with the knowledge and skills needed to govern the cooperative effectively. From engineering to finance, we stay informed about industry trends and best practices.

In 2023, all thirteen DEMCO directors completed or renewed their certifications through the National Rural Electric Cooperative Association (NRECA), earning the prestigious Director Gold Certification. This accomplishment places DEMCO among the elite few in the nation, a testament to our dedication to serving you with the highest standards of governance.

Taking a closer look at DEMCO's 2023 performance, we are proud to report significant achievements. Our kilowatt-hour sales reached 2,281,466,897, serving a membership base of 117,458 throughout the seven parishes we serve. With a total of 9,243 miles of line and a system peak demand of 630 MW, DEMCO continues to uphold its commitment to reliability and efficiency.

Finally, we extend our gratitude to our reelected board members. Dennis Lott, representing District 8; Mike Anderson, representing District 5; Richard "Dickie" Sitman, representing District 10; and Steve Irving, representing District 4, each embarks on another three-year term dedicated to advancing the interests of our cooperative and its members.

Thank you for your continued trust and support as we work together to power our communities forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Du B. L.', written in a cursive style.

**Danny Berthelot**

President, DEMCO Board of Directors



# MANAGER'S MESSAGE

Owned and governed by the very members we serve, our commitment to a not-for-profit approach to rates and services reflects our dedication to our co-op members and their collective well-being.

Focused on financial sustainability rather than profit maximization, DEMCO prioritizes community ownership, democratic control, and the reinvestment of profits. Our cost-based rates are a testament to our commitment to providing reliable and competitively priced energy services.

At DEMCO, the heart of our work lies in putting our co-op members and their well-being at the core of everything we do. As employees, we are guardians of the cooperative spirit. We take pride in upholding our cooperative values and DEMCO's legacy.

Sincerely,

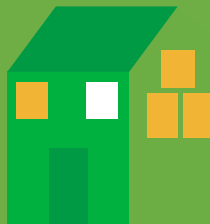


**Randy Pierce**  
CEO & General Manager



## HEARTS OF SERVICE

Each year, DEMCO employees have the option to voluntarily deduct money from their paychecks to support the Capital Area United Way and/or Dream Day Foundation. Even in challenging economic times, employee giving remained strong, totaling \$65,000. Additionally, employees participate in an annual holiday service project. In the most recent project, Blue Star Mothers received 81 collection boxes filled with toiletry items, which were then shipped to deployed military personnel.





# CONCERN FOR COMMUNITY

One of the foundational principles of cooperatives around the world is to demonstrate concern for the communities we serve. DEMCO actively participates in and supports events throughout our seven-parish service area year-round. Additionally, our comprehensive “Youth Programs” initiative caters to individuals from infancy through college, offering diverse activities such as the Dolly Parton Imagination Library for ages 0-5, bucket truck demonstrations for PreK-3rd grade, Fire in the Wire demonstrations for grades 5-8, career fairs for grades 9-12, the Youth Cooperative Ambassador Program for 9th and 10th-grade students, the DEMCO essay contest for 11th-grade students, and Scholarship Programs for high school seniors and adults pursuing higher education.

This year, DEMCO awarded higher education scholarships totaling \$225,000 to 140 member students, demonstrating our long-term commitment to community support and the empowerment of future generations. The annual awards include fifty DEMCO Scholarships totaling \$125,000 and eighty DEMCO Foundation Scholarships totaling \$100,000. The DEMCO Scholarship program has awarded a total of \$1,028,153 since 2005, and the DEMCO Foundation Scholarship program has awarded \$1,145,166 since 1997, bringing the combined total investment in education to \$2,173,319. Through these programs, DEMCO continues to invest in the education and success of our community, showcasing our unwavering dedication to the future of our members.





# BOARD OF DIRECTORS

Fellow members are locally elected via a democratic process to ensure the way we conduct business is in the best interest and representative of our members. At the 2023 annual meeting, four board directors were re-elected without opposition, each to serve a three-year term: Dennis Lott, District 8; Mike Anderson, District 5; Richard “Dickie” Sitman, District 10; and Steve Irving, District 4.







**DISTRICT 1**  
**Elinda Taillon**  
 ASCENSION PARISH



**DISTRICT 8**  
**Dennis Lott**  
 LIVINGSTON PARISH



**DISTRICT 2**  
**Jill McGraw**  
 EAST BATON ROUGE PARISH



**DISTRICT 9**  
**Daniel Berthelot**  
 LIVINGSTON PARISH



**DISTRICT 3**  
**Randy Lorio**  
 EAST BATON ROUGE PARISH



**DISTRICT 10**  
**Richard "Dickie" Sitman**  
 ST. HELENA PARISH



**DISTRICT 4**  
**Steve Irving**  
 EAST BATON ROUGE PARISH



**DISTRICT 11**  
**Tresa Byrd**  
 ST. HELENA PARISH



**DISTRICT 5**  
**Mike Anderson**  
 EAST FELICIANA PARISH



**DISTRICT 12**  
**Melissa Dufreche**  
 TANGIPAHOA PARISH



**DISTRICT 6**  
**Glenn DeLee**  
 EAST FELICIANA PARISH



**DISTRICT 13**  
**Kevin Beauchamp**  
 WEST FELICIANA PARISH



**DISTRICT 7**  
**Leslie Falks**  
 LIVINGSTON PARISH



# 2023 A YEAR IN REVIEW

## JANUARY 2023

To optimize operations and improve system reliability, DEMCO completed 916 miles of right-of-way trimming and an additional 27 miles via helicopter trimming. Vegetation management through herbicide application included 1409 miles of distribution and 92 miles of transmission.

**OPTIMIZE OPERATIONS  
& IMPROVE SYSTEM  
RELIABILITY**

## FEBRUARY 2023

All thirteen DEMCO board directors completed or renewed director certifications through the National Rural Electric Cooperative Association (NRECA) and have obtained the hallmark Director Gold Certification, an achievement only nine of America's nine hundred electric co-ops can boast.

**13 DEMCO BOARD DIRECTORS  
OBTAINED THE HALLMARK  
DIRECTOR GOLD  
CERTIFICATION**

## MARCH 2023

A record-setting three hundred thirty-four eleventh-grade students participated in the 46th annual DEMCO essay contest, and six students were announced as winners and attended the 2023 NRECA Youth Tour in Washington, DC.

**RECORD-SETTING  
334 STUDENTS  
PARTICIPATED  
IN THE 46TH  
ANNUAL DEMCO  
ESSAY CONTEST**



## APRIL 2023

DEMCO acquires its inaugural electric vehicle, a Ford F150 Lightning, marking the beginning of a comprehensive data-gathering effort focused on understanding usage and load patterns. This acquisition supplements our 2023 pilot program dedicated to proactive monitoring of the rapidly evolving EV market and technological trends, with particular attention to factors such as EV adoption rates, load management, and usage patterns within our service areas.



## MAY 2023

DEMCO's Youth Cooperative Ambassadors conducted a service project at the Livingston Council on Aging. Students served a jambalaya lunch and distributed storm safety kits to 150 senior citizens.







Tips, tools and knowledge to help you  
**Conserve Energy  
& Save Money.**

## AUGUST 2023

DEMCO launches a new “Power Smart” energy efficiency initiative featuring a DIY Home Energy Audit Checklist to help members.

# DEMCO LAUNCHES "POWER SMART" ENERGY EFFICIENCY INITIATIVE

## SEPTEMBER 2023

Revised emergency response plan completed incorporating lessons learned from Hurricane Ida.

## JUNE 2023

A free download “Hurricane Preparedness Checklist and Safety Tips” information guide is a new resource available to all DEMCO members and the community at DEMCO.org.

## JULY 2023

Higher education scholarships are awarded to 140 DEMCO member-students totaling \$225,000.

**140 HIGHER EDUCATION  
SCHOLARSHIPS AWARDED**

**TOTALING  
\$225,000**



## OCTOBER 2023

Electric vehicle charging stations are installed at each DEMCO member service center. As the demand for electric vehicles continues to rise, DEMCO recognizes the importance of facilitating and supporting this transition. The installation of these charging stations is not only a service enhancement for DEMCO members and the communities we power but also a critical component of the cooperative's comprehensive research efforts. DEMCO is committed to understanding and adapting to the evolving energy landscape, and the introduction of electric vehicle charging infrastructure is a key facet of this forward-thinking approach.



## DECEMBER 2023

A total of 24,600 poles (18% of our system) were inspected and treated, in addition to a visual inspection of all transmission lines, mainline three-phase, major three-phase taps, and heavily loaded single-phase distribution lines. Annual aerial inspections of our transmission facilities were conducted via helicopter and drones as needed.

## NOVEMBER 2023

A redesigned DEMCO.org website launches. DEMCO entertains and educates students at fifteen schools in its seven-parish service area, with an Electrical Safety Magic Show: Making Accidents Disappear.

# 24,600 POLES WERE INSPECTED & TREATED





# THE DEMCO FOUNDATION

A NONPROFIT CHARITABLE SUBSIDIARY OF DEMCO

Through the years, the DEMCO Foundation has provided much-needed assistance to DEMCO members in their most dire times of need. This foundation is funded by and awarded to DEMCO members. Individual assistance, college scholarships, and emergency assistance are available to members through a confidential process. For more information or to apply for assistance visit [DEMCO.org/Foundation](https://demco.org/Foundation).

## HELPING MEMBERS IN TIME OF NEED

- SCHOOL UNIFORM ASSISTANCE
- SCHOLARSHIP PROGRAM
- EMERGENCY ASSISTANCE
- RENT & MORTGAGE ASSISTANCE
- PHARMACY & MEDICAL ASSISTANCE

FUNDED BY  
MEMBERS FOR  
MEMBERS  
SINCE 1997





# SUBSIDIARY SERVICES

## DIXIE BUSINESS CENTER

The Dixie Business Center in Denham Springs, Louisiana, continues to provide office space for incubator companies on long—or short-term leases.

## DEMCO ENERGY SERVICES, INC.

DEMCO Energy Services, Inc. continues to offer the meter-based surge protection program to DEMCO members, with 4800 participating in the program in 2023. DES's audited 2023 revenue is \$453,990.77, which represents an increase of \$7,630.22 in revenue from 2022. Revenue from DES is reinvested into the operating budget of the co-op.



# FINANCIALS





# FINANCIALS

# ASSETS

## UTILITY PLANT

Electric Plant in service .....	2023 \$788,877,260	2022* \$750,737,593
Other fixed assets .....	1,810,497	1,744,085
Right of Use Lease Assets .....	198,557	-
Construction work in progress .....	31,276,619	75,506,020
Subtotal .....	822,162,933	827,987,698
Less: accumulated depreciation .....	(213,957,189)	(203,926,587)
<b>Total utility plant, net .....</b>	<b>608,205,744</b>	<b>624,061,111</b>

## INVESTMENTS AND OTHER ASSETS

Investments in associated organizations .....	11,273,813	10,677,965
Notes receivable, long-term portion .....	57,994	128,304
<b>Total investments and other assets .....</b>	<b>11,331,807</b>	<b>10,806,269</b>

## CURRENT ASSETS

Cash and cash equivalents .....	6,597,186	7,632,576
Current portion of notes receivable .....	110,136	142,000
<b>Accounts receivable .....</b>		
Consumers net of allowance .....	14,102,384	13,866,188
Other receivables .....	23,033,232	13,268,154
Unbilled revenue .....	14,483,522	17,179,436
<b>Total accounts receivable .....</b>	<b>51,619,138</b>	<b>44,313,778</b>
Under Collected Purchase Power Adjustment .....	-	7,712,900
Materials and supplies .....	8,913,442	8,404,607
Other current and accrued assets .....	2,226,278	1,764,332
<b>Total current assets .....</b>	<b>69,466,180</b>	<b>69,970,193</b>

## OTHER ASSETS

Deferred charges .....	22,884,152	32,874,058
Deferred income tax asset .....	39,896	114,340
<b>Total other assets .....</b>	<b>22,924,048</b>	<b>32,988,398</b>

<b>Total assets .....</b>	<b>\$711,927,779</b>	<b>\$737,825,971</b>
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\*Summary Financial Information for 2022: Certain items in 2022 column have been reclassified to conform to presentation in the current year financial statements. Such reclassification had no effect on the previous reported net margins.



# FINANCIALS

# EQUITIES & LIABILITIES

## EQUITIES

	2023	2022*
Memberships .....	\$356,040	\$374,625
Patronage Capital .....	111,914,061	111,914,061
Other equities (Deficits) .....	7,405,035	7,005,589
<b>Total equity .....</b>	<b>119,675,136</b>	<b>119,294,275</b>

## LONG-TERM DEBT

Notes payable, less current maturities .....	456,034,413	417,149,163
Financing Lease Obligations, less current maturities .....	360,717	-
Operating Right of Use Lease Obligations, less current maturities .....	119,508	-
Deferred interest-RUS notes .....	5,691	79,190
<b>Total long-term debt .....</b>	<b>456,520,329</b>	<b>417,228,353</b>

## CURRENT LIABILITIES

Current maturities of notes payable .....	19,068,831	15,723,582
Current maturities of Finance Lease Obligations .....	76,864	-
Current maturities of Right of Use Lease Obligations .....	79,049	-
Current portion of post-retirement benefit obligation .....	1,141,256	1,921,354
Lines of credit .....	52,761,575	88,493,079
Accounts payable .....	16,785,691	39,965,254
Consumer deposits .....	9,282,409	8,948,000
Accrued interest .....	3,577,997	3,408,815
Other accrued expenses and deferred credits .....	2,380,501	2,624,283
Over Collected Purchase Power Adjustment .....	809,192	-
<b>Total current liabilities .....</b>	<b>105,963,365</b>	<b>161,084,367</b>

## DEFERRED CREDITS AND OTHER LIABILITIES

Accrued post retirement benefits .....	19,171,078	31,513,696
Deferred Credits .....	10,597,871	8,705,280
<b>Total deferred credits &amp; other liabilities .....</b>	<b>29,768,949</b>	<b>40,218,976</b>

<b>TOTAL EQUITIES AND LIABILITIES .....</b>	<b>711,927,779</b>	<b>737,825,971</b>
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\*Summary Financial Information for 2022: Certain items in 2022 column have been reclassified to conform to presentation in the current year financial statements. Such reclassification had no effect on the previous reported net margins.

# FINANCIALS

# STATEMENT OF OPERATIONS

## OPERATING REVENUE

## OPERATING EXPENSES

Cost of power .....	147,941,102	206,021,826
Cost of sales .....	2,395	9,570
Distribution-operations & maintenance .....	34,043,054	32,162,833
Transmission-operations & maintenance .....	968,967	944,233
Consumer accounts & customer service .....	6,465,286	8,288,747
Administrative and general .....	16,301,378	13,498,681
Depreciation and amortization .....	24,990,377	23,798,417
Taxes .....	7,009,008	7,144,123
Other .....	1,357,822	916,188

<b>Total operating expenses .....</b>	<b>239,079,389</b>	<b>292,784,618</b>
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<b>Operating margins before fixed charges .....</b>	<b>15,317,039</b>	<b>23,966,502</b>
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## FIXED CHARGES

Interest on long-term debt .....	14,678,329	13,852,699
Amortization on Reacquired debt .....	12,768	23,616
Other interest .....	1,634,227	2,712,548

<b>Total fixed charges .....</b>	<b>16,325,324</b>	<b>16,588,863</b>
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<b>Operating margins after fixed charges .....</b>	<b>1,008,285</b>	<b>7,377,639</b>
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## CAPITAL CREDITS .....

<b>1,303,386</b>	<b>794,609</b>
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## NON-OPERATING MARGINS

Interest income .....	213,061	144,640
Other income (Loss) .....	(40,478)	(19,191)
Grant income .....	33,494	-

<b>Total non-operating margins .....</b>	<b>206,077</b>	<b>125,449</b>
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Income Tax Benefit .....	101,730	18,718
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<b>Net margins / (Deficits) .....</b>	<b>399,448</b>	<b>8,278,979</b>
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## PATRONAGE CAPITAL, BEGINNING OF YEAR

Margins Transferred to Other Equities .....	(399,448)	(8,278,979)
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## PATRONAGE CAPITAL, END OF YEAR

<b>111,914,061</b>	<b>111,914,061</b>
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# EMPLOYEES





Adam Aime	Emily DeLee	Beau Higgins	Theo McCray	Ty Shaffer
Albert Allen	Edward DeLee	Ray Hill	Damon McMorris	Corey Sharpe
Justin Andrews	Scott DeLee	Thomas Hodges	Haley Merritt	Nicole Sibley
Brock Andrus	Tyler Desselle	Jimmy Holden	Brian Merritt	Levy Sibley
Jeff Andry	Jenny Desselle	Cole Holden	Matthew Michael	Brandon Simon
Jake Arledge	Patrick Donohue	Avesia Holland	Josh Miller	Nick Smith
Hijah Armstrong	Michael Doughty	Dante Holmes	Scott Miller	Abigail Smith
Andrew Arnold	Galen Dunbar	Collin Howell	Brady Milton	Kellie Smith
Marc Aucoin	Tiffany Dunn	Cole Hudspeth	Justin Milton	Jared Soileau
Shinell Aultman	Wade Duplessie	Austin Hudspeth	Paula Mims	Steven Spring
Kenneth Bailey	Ethan Easley	Coraneisha Hughes	Yuan Mizell	Jeremy Starns
Braydon Ballard	Josh Ellis	Jeremy Jett	Jacob Moore	Jeffrey Stewart
Jason Ballard	Vince Estes	David Jewell	Tiffany Moore	Larry Stewart
Penny Bates	Brad Everett	Clayton Johnson	Payton Moran	Raymond Stewart
Jonathan Beland	George Fage	Esha Johnson	Ben Morein	Ashton Stokes
Jeff Bellington	Cade Felps	Toni Johnson	Bubba Morgan	Darren StPierre
D'Aaron Bennett	Rebecca Fitzhugh	Tylar Keefer	Garrett Motichek	Blake Sullivan
Traymond Benton	Anna Fournet	Moussa Keita	Quanika Muse	Erica Sullivan
Troy Bergeron	Frank Fowler	Lisa Key	Lyle Newell	Patrick Tanner
Derek Bergin	Penny Fruge	Joel Kilpatrick	Alex Newman	Michael Taylor
Jamie Berry	Erin Gallahue	Tommy Klein	Ethan Noland	Marci Templet
Trent Bigner	Charlie Gallup	Michael Knight	Chad Norred	Agra Templet
Tia Billoups	Lauren Garaudy	Missy Knoblauch	Eric Ouber	Craton Templeton
Jeremy Blouin	Cecil Garaudy	Benjamin Kyzar	Russchelle Overhultz	Aaron Terrance
Chelsea Bossier	Mason Gautreaux	Slade Lacey	Jacob Overhultz	Justin Terrell
Kenneth Bourgeois	Matt Gibson	Chad LaCost	Braden Owens	Wendy Thibodeaux
Donald Bradford	Twyla Gibson	Destiny Landry	Charlotte Ozuna	Rusty Todd
Lori Broussard	Bobby Gill	Chad Landry	Phillip Pace	Maderis Trout
Lacey Brown	Cody Glascock	Devin Landry	Kerri Pagano	David Tucker
Trevor Browning	Cole Glascock	Jake Lane	Brady Parker	Bianca Tyson
Julie Burns	Travas L. Glascock	Joe Langlois	Jacob Parker	Heather Verrett
Luke Butler	Travas W. Glascock	Macie Langlois	Melvin Parker	Rhowanda Vessel
Ashley Carradine	Andy Graham	Stephanie Laspe	Luke Patterson	John Wales
Scot Carraway	John Green	David Latona	Brett Patterson	Chase Wascom
Nick Carruth	Dusty Guarino	Valerie Lawrence	Lori Peek	Jeremy Wascom
Andy Castello	Jeff Guffey	Jeff Lea	Daniel Pendergist	Megan Watts
Beau Caston	Michelle Guidry	Jordan Lee	Mark Phillips	Brennan Watts
Brooke Causey	Kip Guidry	Sarah Lee	Jacob Pickett	Jordan Watts
Jodie Chapman	Stephanie Guidry	Roman Lee	Randy Pierce	Daniel Watts
Todd Chauvin	Kelli Guidry	Kaleb Lee	Daniel Poirrier	Hannah Watts
Mike Chiasson	Kate Guillot	Louis Lee	Donnie Prest	Carl Watts
Brittany Childress	Lee Guillot	Shawn Little	Cody Prest	Michael Welborn
Jamie Coats	Aaron Guitreau	Mark Liuzza	Josh Prestridge	Zachary Westbrook
Dominique Comeaux	Cody Hanna	Lorenza Lively	Ryan Reed	Carl Westbrook
Donny Compton	Cody Harper	Ken Lofton	Matt Reed	Darrel White
Olivia Constanzi	Brice Harrell	Jared Louque	Terrie Reed	Caleb Wilkinson
Patricia Courtney	Darren Harrell	James Macias	Elishea Rheams	Derrick Willis
Sheri Cox	Philip Harris	Jared Mack	Nakita Ricard	Dale Wolfe
Eric Crain	Anne Hawes	Patrick Mansfield	Sandra Richard	Bodhi Wright
Daniel Cross	Kelvin Haymon	Peggy Maranan	Charlie Rogers	Gavin Young
Dustin Crouch	Rocio Hernandez	Melvin Martin	Sam Rosso	Tyler Zimmerebner
Johnathan Crowder	Kelly Heroman	Chanon Martin	Rachel Roule	
Rickey Cummings	Caleb Herring	D.J. Matte	Connor Rushing	
Doug Dalgo	Allana Herring	Page McClure	Linda Sanders	
Danny Delatte	Zachary Herring	Patrick McCoy	Asa Scott	



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