



2022 ANNUAL REPORT



DEMCO

A Touchstone Energy
Cooperative 

Providing safe, reliable, and competitively priced energy services to co-op members since 1938.



DEMCO

In 1938 DEMCO was established to bring electricity to southeast Louisiana. The first lines powered 750 meters. Now one of the largest electric co-ops in the country, DEMCO powers 114,000+ meters in seven parishes: Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa, and West Feliciana. DEMCO is a not-for-profit electric cooperative that purchases power from a wholesale power supplier, then distributes that power to our members. About 65-70% of what you pay for electricity goes directly to the power supplier and the remaining 30-35% remains with the cooperative, paying for everything associated with distributing that power to cooperative members. Local service and attention to the unique needs of our members is in large part what makes our co-op so successful. The decisions about your co-op are guided by a member-elected local board of directors, who represent all members.





Community

It is one of the foundational principles of cooperatives all over the world to have concern for community; moreover it is in DEMCO's culture to be a good corporate citizen. DEMCO provides youth programs from age 0-18 throughout all levels of education. This robust program includes the Dolly Parton Imagination Library, bucket truck demonstrations, Fire in the Wire safety, career fairs, YCAP program, DEMCO essay contest, DEMCO Scholarship program, and NRECA Youth Tour. In addition, DEMCO annually participates in area chamber meetings, Louisiana Public Service Commission meetings, and GOSHEP emergency preparedness meetings to name a few.

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

President's Report

The President's Report is offered to the membership each year to highlight milestones and report on DEMCO operations.

As we strive to serve our members, we acknowledge the promising future that lies ahead - a future that will foster economic development, employment opportunities, and investments in education for our children.

Our board of directors takes great pride in representing the membership of DEMCO, and we are committed to delivering safe, reliable, and affordable power to you. We express our gratitude to our members for your unwavering support, which inspires us to represent you to the best of our abilities.

At DEMCO, our focus on the members we serve will always remain paramount. From our dedicated employees to our executive management team and democratically elected board of directors, each member is valued and prioritized.

Welcoming new accounts and members as well as expanding our power delivery system not only helps us grow but also enables us to spread costs more efficiently, ultimately resulting in reduced expenses for all members.

A review of DEMCO's 2022 system statistics shows that kilowatt-hour (kWh) sales were 2,171,696,353. The number of members billed was 115,922. Total miles of line equal 9,054 and system peak demand was 612 MW. The electric plant in service is valued at \$750,737,593 plus \$75,506,202 for construction work in progress (CWIP). The majority of the CWIP amount will be reimbursed by FEMA because it relates to storm restoration and therefore will not count as dollars invested in our plant.

In the 2022 election, five board directors were re-elected without opposition, each to serve a three-year term. I speak for the entire board when I say that it is an honor to represent you. Please reach out to any of us whenever we can be of assistance.

In service,



Danny Berthelot, President
DEMCO Board of Directors





2022 A Year in Review

January 2022

DEMCO Foundation reaches \$6 million in member assistance. Reaching this pinnacle milestone is due to co-op members who participate in the Operation Roundup program. By rounding up each bill to the nearest dollar, each DEMCO member who participates donates an average of \$6 per year, which is at the heart of what it means to belong to DEMCO – a local community co-op.



February 2022

The Advocate by Mark Ballard, Capitol City Editor, published “In historic change, PSC to allow power purchases from firms in other states.” The Louisiana Public Service Commission approved a plan that will increase competition among energy providers and deliver lower rates to five Louisiana electric cooperatives.



March 2022

Over 300 students participated in the 2022 DEMCO essay contest from schools across DEMCO's seven-parish service area. Twelve DEMCO-member students were honored with their parents at a banquet for the final round of judging. Each student was scored on their oral essay presentation, their knowledge about DEMCO and the electric cooperative business model; six students will enjoy the prize of an all-expense paid trip to attend the NRECA Youth Tour.



April 2022

DEMCO launched a new program for 9th and 10th grade youth, comprised of seven DEMCO member students. Class of 2022 student ambassadors included Shawn Comminey II of Dutchtown High School; DeVone Holiday Jr. of St. Helena College and Career Academy; Yu'Toria Jones of Zachary High School; Aaron Kelley and Brennan Michelli of Central High School; London Sanford of Northeast High School; and Abrielle Steel of Live Oak High School.





May 2022

At the annual membership meeting five board directors were re-elected and 23 DEMCO members were selected to receive a \$2,500 DEMCO Scholarship.



June 2022

DEMCO launched an energy efficiency initiative to help members 'Get Power Smart.' Sharing tips, tools, and knowledge to help members conserve energy and save money on their bill, DEMCO created a do-it-yourself home energy audit checklist for our members.



July 2022

Six students travel to Washington, D.C., to serve as DEMCO student ambassadors at the NRECA Youth Tour. Serving as DEMCO student delegates were Winsome Brass, Central High School; Victor Costa, Zachary High School; Halley Drago, Central High School, Alexandra Fertitta, St. Joseph's Academy; Kennedy Hughes, Zachary High School; and Victoria Winter, Winter Classical Academy Homeschool.



August 2022

DEMCO lineman and other line workers from across the state were recognized for their hard work and commitment to keeping the lights on with a resolution at the Louisiana state capitol.



September 2022

DEMCO launched an outage text alert system available to DEMCO members to expedite outage reporting and keep you updated on restoration times through text. Using the latest SMS technology, outage text alerts are delivered to members who have a cell phone number associated with their account. In addition, members receive Estimated Time of Restoration and Status Updates as well as Notification When Power is Restored.

October 2022

On October 19, 2022, DEMCO received unanimous Louisiana Public Service Commission approval of our new 2024 wholesale power contracts with NextEra Energy Marketing and Amite Solar. The new wholesale power contracts will go into effect in about 18 months on April 1, 2024, after our current 10-year wholesale power supply agreement with CLECO Power expires on March 31, 2024.



November 2022

To optimize operations and improve system reliability, DEMCO completed 785.99 miles of right-of-way trimming and an additional 59.4 miles via helicopter trimming. Vegetation management through the application of herbicide application included 1,855 miles of distribution and 124.4 miles of transmission.



Before



After

December 2022

DEMCO's safety magician performed 'Make Electrical Accidents Disappear!' at area schools throughout the co-op service area. DEMCO employees systemwide complete first aid and CPR training.





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. Board directors serve a three-year term. At the 2022 annual meeting, five board directors were re-elected without opposition, each to serve a three-year term: Randy Lorio, District 3 serving East Baton Rouge Parish; Glenn DeLee, District 6 serving East Feliciana Parish; Daniel Berthelot, District 9 serving Livingston Parish; Melissa Dufreche, District 12 serving Tangipahoa Parish; and Kevin Beauchamp, District 13 serving West Feliciana Parish.

Board of Directors



DISTRICT 1
Elinda Taillon
ASCENSION PARISH



DISTRICT 2
Jill McGraw
EAST BATON ROUGE



DISTRICT 3
Randy Lorio
EAST BATON ROUGE PARISH



DISTRICT 4
Steve Irving
EAST BATON ROUGE PARISH



DISTRICT 5
Mike Anderson
EAST FELICIANA PARISH



DISTRICT 6
Glenn DeLee
EAST FELICIANA PARISH



DISTRICT 7
Leslie Falks
LIVINGSTON PARISH



DISTRICT 8
Dennis Lott
LIVINGSTON PARISH



DISTRICT 9
Daniel Berthelot
LIVINGSTON PARISH



DISTRICT 10
Richard "Dickie" Sitman
ST. HELENA PARISH



DISTRICT 11
Tresa Byrd
ST. HELENA PARISH



DISTRICT 12
Melissa Dufreche
TANGIPAHOA PARISH



DISTRICT 13
Kevin Beauchamp
WEST FELICIANA PARISH

**Local board elected
by co-op members.**

THE DEMCO FOUNDATION

A NONPROFIT CHARITABLE SUBSIDIARY OF DEMCO

Dixie Business Development Center (DBDC)

In October, the Dixie Business Development Center's board of directors and staff welcomed visitors for a celebration of 30 years of service to the emerging business community. The result has been new business and job creation generating a positive economic impact not only for DBDC clients, but for the entire region. The Dixie Business Development Center's main purpose is to help fledgling businesses compete and succeed. The business incubator aids entrepreneurs and new businesses through counseling, shared administrative services, office space, consulting, and more on its campus in Denham Springs.

The center was founded in 1992 by DEMCO as part of a regional alliance responding to the economic downturn in the 1980s oil industry.

DEMCO Foundation

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.





Financials

UTILITY PLANT

	2022	2021
Electric Plant in service	\$750,737,593	\$729,109,742
Other fixed assets	1,744,085	1,708,591
Construction work in progress	75,506,020	76,293,686
	827,987,698	807,112,019
Less: accumulated depreciation	(203,926,587)	(195,885,375)
Total utility plant, net	624,061,111	611,226,644

**INVESTMENTS AND
OTHER ASSETS**

Investments in associated organizations	10,677,965	11,147,872
Notes receivable, long-term portion	128,304	144,760
Total investments and other assets	10,806,269	11,292,632

CURRENT ASSETS

Cash and cash equivalents	7,632,576	12,049,221
Current portion of notes receivable	142,000	150,000
Accounts receivable		
Consumers net of allowance	13,866,188	14,695,355
Other receivables	13,268,154	7,742,578
Unbilled revenue	17,179,436	10,119,126
Total accounts receivable	44,313,778	32,557,059
Under Collected Purchase Power Adjustment	7,712,900	1,849,519
Materials and supplies	8,404,607	7,725,060
Other current and accrued assets	1,764,332	1,568,842
Total current assets	69,970,193	55,899,701

OTHER ASSETS

Deferred charges	32,874,058	46,772,899
Deferred income tax asset	114,340	112,214
Total other assets	32,988,398	46,885,113
Total assets	\$737,825,971	\$725,304,090

EQUITIES

	<u>2022</u>	<u>2021</u>
Memberships	\$374,625	\$404,815
Patronage Capital	119,834,026	111,914,061
Other equities (Deficits)	<u>(914,376)</u>	<u>(1,306,275)</u>
Total equity	<u>119,294,275</u>	<u>111,012,601</u>

LONG-TERM DEBT

Notes payable, less current maturities	417,149,163	432,694,659
Deferred interest-RUS notes	<u>79,190</u>	<u>163,495</u>
Total long-term debt	<u>417,228,353</u>	<u>432,858,154</u>

CURRENT LIABILITIES

Current maturities of notes payable	15,723,582	15,050,790
Current portion of post-retirement benefit obligation	1,921,354	1,873,872
Lines of credit	88,493,079	47,036,083
Accounts payable	39,959,735	45,709,504
Consumer deposits	8,948,000	8,819,714
Accrued interest	3,408,815	3,141,887
Other accrued expenses and deferred credits	2,624,283	2,010,977
Over Collected Purchase Power Adjustment	<u>-</u>	<u>-</u>
Total current liabilities	<u>161,078,848</u>	<u>123,642,827</u>

**DEFERRED CREDITS AND
OTHER LIABILITIES**

Accrued post retirement benefits	31,513,696	43,701,054
Deferred Credits	<u>8,710,799</u>	<u>14,089,454</u>
Total deferred credits & other liabilities	<u>40,224,495</u>	<u>57,790,508</u>
Total equities and liabilities	<u>737,825,971</u>	<u>725,304,090</u>

	2022	2021
OPERATING REVENUE	316,751,120	238,947,191
OPERATING EXPENSES		
Cost of power	206,021,826	152,259,111
Cost of sales	9,570	10,152
Distribution-operations & maintenance	32,162,833	28,930,123
Transmission-operations & maintenance	944,233	813,631
Consumer accounts & customer service	8,288,747	7,369,216
Administrative and general	13,498,681	14,018,152
Depreciation and amortization	23,798,417	23,127,643
Taxes	7,285,825	7,336,978
Other	774,486	2,017,870
Total operating expenses	292,784,618	235,882,876
Operating margins before fixed charges	23,966,502	3,064,315
FIXED CHARGES		
Interest on long-term debt	13,852,699	13,768,867
Amortization on Reacquired debt	23,616	22,646
Other interest	2,712,548	832,125
Total fixed charges	16,588,863	14,623,638
Operating margins after fixed charges	7,377,639	(11,559,323)
CAPITAL CREDITS	794,609	543,789
NON-OPERATING MARGINS		
Interest income	144,640	153,930
Other income	(19,191)	153,684
Total non-operating margins	125,449	307,614
Income Tax Benefit	(18,718)	(76,008)
Net margins / (Deficits)	8,278,979	(10,783,928)
PATRONAGE CAPITAL, BEGINNING OF YEAR	111,914,061	111,914,061
Margins Transferred to Other Equities	(359,014)	10,783,928
PATRONAGE CAPITAL, END OF YEAR	119,834,026	111,914,061



Employees

Employees

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



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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



Providing safe, reliable, and competitively priced energy services to co-op members since 1938.