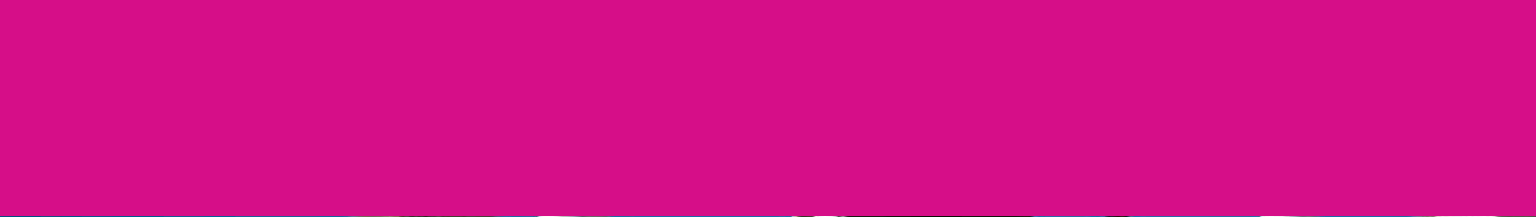




# 2022 ANNUAL REPORT

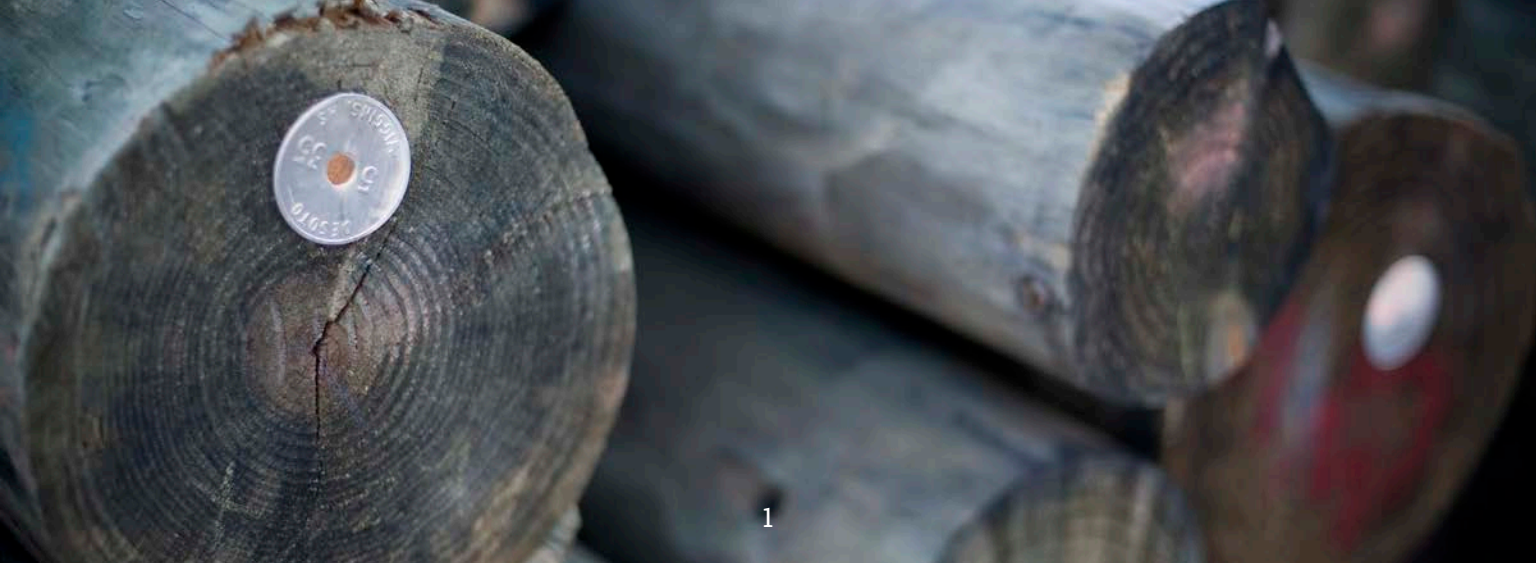


*Providing safe, reliable, and competitively priced energy services to co-op members since 1938.*



## 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 competitively priced energy services 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 653 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 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 (L to R) included Aaron Kelley of Central High School; DeVone Holiday Jr. of St. Helena College and Career Academy; Abrielle Steel of Live Oak High School; Yu’Toria Jones of Zachary High School; Shawn Comminey II of Dutchtown High School; London Sanford of Northeast High School; and Brennan Michelli of Central 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 traveled to Washington, D.C., to serve as DEMCO student ambassadors at the NRECA Youth Tour. DEMCO student delegates are pictured below with Louisiana Senator Bill Cassidy. L to R front - Victoria Winter, Winter Classical Academy Homeschool; Winsome Brass, Central High School; Alexandra Fertitta, St. Joseph's Academy; Senator Bill Cassidy L to R back - Kennedy Hughes, Zachary High School; Victor Costa, Zachary High School and Haley Drago, Central High School.



### 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 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 we conduct business with our members best interests at the heart of the co-op. 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 PARISH



**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.

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# 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



## FINANCIALS

## ASSETS

**UTILITY PLANT**

	<b>2022</b>	<b>2021</b>
Electric Plant in service .....	\$750,737,59	\$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)
<b>Total utility plant, net .....</b>	<b>624,061,111</b>	<b>611,226,644</b>

**INVESTMENTS AND  
OTHER ASSETS**

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

**CURRENT ASSETS**

Cash and cash equivalents .....	7,632,576	12,049,221
Current portion of notes receivable .....	142,000	150,000
<b>Accounts receivable .....</b>		
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
<b>Total accounts receivable .....</b>	<b>44,313,778</b>	<b>32,557,059</b>
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
<b>Total current assets .....</b>	<b>69,970,193</b>	<b>55,899,701</b>

**OTHER ASSETS**

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

## FINANCIALS

## EQUITIES &amp; LIABILITIES

**EQUITIES**

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

**LONG-TERM DEBT**

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

**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 .....	-	-
<b>Total current liabilities .....</b>	<b><u>161,078,848</u></b>	<b><u>123,642,827</u></b>

**DEFERRED CREDITS AND  
OTHER LIABILITIES**

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



	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUE</b>	<b>316,751,120</b>	<b>238,947,191</b>
<b>OPERATING EXPENSES</b>		
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 .....	<u>774,486</u>	<u>2,017,870</u>
<b>Total operating expenses .....</b>	<b><u>292,784,618</u></b>	<b><u>235,882,876</u></b>
<b>Operating margins before fixed charges .....</b>	<b><u>23,966,502</u></b>	<b><u>3,064,315</u></b>
<b>FIXED CHARGES</b>		
Interest on long-term debt .....	13,852,699	13,768,867
Amortization on Reacquired debt .....	23,616	22,646
Other interest .....	<u>2,712,548</u>	<u>832,125</u>
<b>Total fixed charges .....</b>	<b><u>16,588,863</u></b>	<b><u>14,623,638</u></b>
<b>Operating margins after fixed charges .....</b>	<b><u>7,377,639</u></b>	<b><u>(11,559,323)</u></b>
<b>CAPITAL CREDITS .....</b>	<b>794,609</b>	<b>543,789</b>
<b>NON-OPERATING MARGINS</b>		
Interest income .....	144,640	153,930
Other income .....	<u>(19,191)</u>	<u>153,684</u>
<b>Total non-operating margins .....</b>	<b><u>125,449</u></b>	<b><u>307,614</u></b>
Income Tax Benefit .....	<u>(18,718)</u>	<u>(76,008)</u>
<b>Net margins / (Deficits) .....</b>	<b><u>8,278,979</u></b>	<b><u>(10,783,928)</u></b>
<b>PATRONAGE CAPITAL, BEGINNING OF YEAR</b>	<b>111,914,061</b>	<b>111,914,061</b>
Margins Transferred to Other Equities .....	<u>(359,014)</u>	<u>10,783,928</u>
<b>PATRONAGE CAPITAL, END OF YEAR</b>	<b><u>119,834,026</u></b>	<b><u>111,914,061</u></b>



## EMPLOYEES



## EMPLOYEES

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

