AFTER EIGHT DECADES of providing power to the Baton Rouge area, leaders of the Dixie Electric Membership Corporation (DEMCO) have spent the past year looking ahead to the organization’s future. With a new five-year strategic plan in place, DEMCO is focusing on reliably serving a growing—and changing—member base while keeping rates down and continuing to give back to the community.

DEMCO is a member-owned, not-for-profit cooperative that provides electricity to 112,000 meters in Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa and West Feliciana parishes. About half a million people depend on DEMCO for power.

Communities throughout the DEMCO service area have seen booms in development in recent years. Not only are there more residential members, but DEMCO also is serving more of the businesses and industrial facilities that are popping up as these communities make the shift from rural to suburban.

“That type of commercial and industrial member tremendously assists with the cost and efficiency of the overall system,” says Randy Pierce, CEO and general manager.

Bringing more members into the fold helps spread out the cost of providing power and keeps members’ monthly bills as low as possible. But it also presents new challenges and opportunities for improvement.

“Our metrics are good but we always want to improve, and we know that’s a critical part of what we do,” Pierce says. “We’ve got to be reliable.”

In 2019, the co-op upped its staffing by about 10%, putting more boots on the ground to maintain equipment and rights-of-way. “We needed to do that to ensure that our reliability remains where it is or improves,” Pierce says. DEMCO also is looking to take advantage of recent changes in the utility industry to strike new agreements for buying wholesale power, which represents about 75% of DEMCO’s costs. The remaining 25% comes from expenses associated with delivering electricity to homes and businesses.

In the past, Pierce says, co-ops have tended to have wholesale power contracts with a single entity. Now, it’s possible to buy electricity from multiple plants and assemble a portfolio of the best, most affordable options. “That’s a huge part of our strategy because we feel like it can make a significant impact on the members,” Pierce says. “That’s where reliability and rates converge.”

“We believe this strategy will stabilize and even lower rates from where we are today,” he adds. “And that’s significant because in Louisiana, our residential members already have the lowest rates in America, and that’s something we should really be proud of.”

As DEMCO grows and evolves, Pierce says, it’s important to continue to value principles that have been at the heart of the co-op since its founding in 1938. Being community-minded is key because DEMCO employees live and work alongside the members they serve, he says.

He encourages employees to make sure every interaction with the public is a positive one. Employees are involved in a range of volunteer activities, and the co-op sponsors scholarships and essay contests for students.

That community spirit stems from the not-for-profit co-op model, Pierce says. Unlike utility companies owned by investors or municipalities, DEMCO is overseen by a 13-member board and is owned by the people who pay for and use its electricity.

“Everything you achieve in terms of margins either goes back into the system—for things like reliability and better service—or into the communities we serve,” Pierce says.