

# WORKING TOGETHER IN THE **COOPERATIVE SPIRIT**



**PALMETTO ELECTRIC COOPERATIVE, INC.**  
**2024 ANNUAL REPORT**



# EXECUTIVE REPORT 2024



**Jeremiah E. Vaigneur**  
Chairman of the Board

**A. Berl Davis Jr.**  
President and  
Chief Executive Officer

Once Hurricane Helene made her way through the Lowcountry, we soon began to realize the magnitude this storm had on our service area. With thousands of members without power and others without internet service, it was all-hands-on-deck. Our lineworkers immediately got to work out in the field restoring service, while our other employees also worked around the clock answering telephones, communicating with members on our social media channels, providing information to media outlets, and preparing meals. Along with our sister cooperatives and private contractors, it took us seven-and-a-half days to completely restore electric service and 12 days to fully restore internet service to everyone. Although it was a tiring endeavor, you—our members—kept the spirits up of those working in the inclement weather with your words of appreciation and understanding. Kind words and a few thoughtful gifts along the way supported our workers more than you know!

We learned through the process of storm recovery that communication through our social media channels is a well-received way to maintain two-way constant contact

with our members. We were able to update the status of our recovery efforts and see real-time comments from members who helped us pinpoint areas that needed attention, including power outages, blocked roads and fallen trees.

PalmettoLink, our partnership with Palmetto Rural Telephone Cooperative that enables us to provide high-speed internet service to our rural membership, continued its expansion. In the first quarter of 2024, we completed fiber installation to the 8,301 originally planned locations in rural Jasper and Hampton counties. By the end of the year, we had more than 2,500 members enrolled to receive internet service through PalmettoLink.

Change is inevitable, and some of those changes in 2024 included facing rising costs. PEC is not immune to these increases. In March, we had to increase the monthly facility charge for residential and small commercial accounts. We never take increases lightly, and this change was necessary to recover costs associated with providing electricity to members. We continued to combat rising costs with increased awareness of our load management and efficiency programs, including Beat the Peak, Smart Thermostat, and H2O Select.

Safety and customer service are always top of mind, and this past year, we had reason to celebrate. Palmetto Electric members rated our services as a 90 on the annual American Customer Satisfaction Index, the 9th year in a row that we have received a score of 89 or higher. We also scored well on the Rural Electric Safety Achievement Program; as always, a commitment to safety ranks at the top of the list of our core values.

While there was an intense focus on addressing major events this year, we never lost sight of our students, the future of Palmetto Electric Cooperative. We were able to send three students to participate in the Washington Youth Tour, three students to the Cooperative Youth Summit, celebrate two student winners of the 2024 Children's Book Challenge, and award a \$1,000 WIRE scholarship to a Jasper County student. In addition, we gave \$38,775 in Bright Ideas grants to 46 teachers through Palmetto Electric Trust and Operation Round Up so they could positively impact students' lives by adding new educational content and activities to their curricula.

**This year taught all of us that we can make a difference by working together.**

  
**Jeremiah E. Vaigneur**

  
**A. Berl Davis Jr.**



Palmetto Electric Cooperative, like other cooperatives in our state, is guided by seven principles that help us navigate challenges and opportunities while remaining true to our values. Some years—such as 2024—put our guiding principles to the test. With the devastation caused by Hurricane Helene in late September, PEC employees and members had a chance to practice two of those tenets: cooperation among cooperatives and concern for community. Recovering from the hardship the storm caused gave us all an opportunity to shine. Other challenges were tough—such as fighting rising costs and finding new ways to improve safety—but not something we haven't faced before. Throughout the year, we met challenges together while continuing to adhere to the abiding principles that govern our cooperative.

## WORKING TOGETHER TO RECOVER

A hero is admired for courage and determination, acting selflessly to help others despite tiring or dangerous conditions. It couldn't be a more fitting introduction to describe the extraordinary work that Palmetto Electric Cooperative's entire team put into restoration efforts last September when Hurricane Helene swept through our area. At the peak of electricity outages, 22,500 PEC members were without power due to downed trees that broke approximately 150 poles and damaged



*Linemen replacing broken poles from the storm damage.*

seven substations. Our lineworkers worked tirelessly for seven-and-a-half days until the last member's power was restored, while other employees worked around the clock to update members by answering phones, communicating on social media, and providing information to the media. It took 45 PEC linemen plus just as many private contractors and cooperative assistance from Horry Electric Cooperative and Joe Wheeler EMC in Alabama to restore service, using their ingenuity to find new routes around fallen trees blocking roads.

When all members' service was restored, our team took a brief daylong rest and then packed up and traveled to help our fellow members that suffered outages in the Aiken Electric Cooperative and Mid-Carolina Electric Cooperative service areas. The team helped out as long as possible and then headed home to prepare for any effects Hurricane Milton might have on our own service area. These mutual aid agreements in which PEC participates, along with 18 other cooperatives in

South Carolina, are invaluable to all of us as we share the load among many. As they say, "Many hands make light work."

This storm posed a new challenge for us. Since the rollout of high-speed internet service through PalmettoLink, our poles now also hold fiber lines that deliver internet connectivity to Jasper and Hampton counties. Helene not only damaged electric lines but also interrupted internet service for up to 12 days for about 500 of our members. The fiber optics team worked long hours each day to restore service and were supported by lineworkers after they finished fully restoring electricity to our members' homes and businesses.

*Linemen work to restore power in the aftermath of Hurricane Helene.*





While the cooperative spirit remained strong during these trying times, so did the level of appreciation and assistance from our members. They went out of their way to support our lineworkers, leaving encouraging notes and thoughtful gifts to help uplift PEC's employees.

Members again stepped up to help Palmetto Electric celebrate the year's achievements with a celebratory ranking of 90 on the American Customer Satisfaction Index. This ranking marked the 9th consecutive year Palmetto Electric scored 89 or higher, outpacing the national average for electric cooperatives.



*"I have worked at Palmetto Electric Cooperative for 30 years, through Hurricanes Katrina, Rita and Matthew and Superstorm Sandy. Hurricane Helene was the worst storm to hit Jasper and Hampton counties, causing the longest power outages in my career. But the members who supported us as we worked to restore power gave us all a sense of pride in our community."*

**- DeKelly Pittinger, Hampton District Operations Supervisor**

*"I am really thankful for our members. We were working long hours each day. While we were out working, they were honking their horns, waving and giving us a thumbs up. A lot of them stopped to tell us thank you for getting their lights back on. That encouragement and support goes a long way. It's a great feeling knowing that we are able to help out in the communities in which we live."*

**- Chris Smith, Contractor Coordinator**

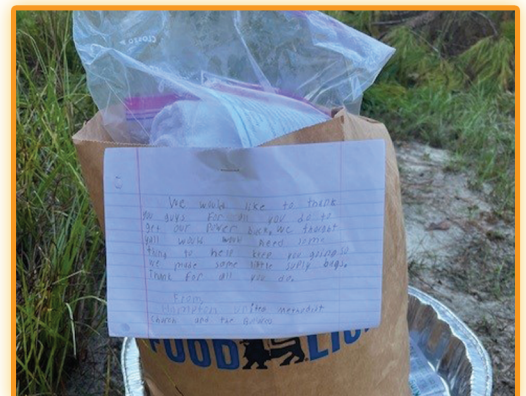


*"Members were very patient and appreciative of the work that was taking place. Many members made us feel good by praising us on how quickly they saw us in their areas working on repairs and expressed how thankful they were for what we do."*

**- Jason Ferguson, Fiber Optics Supervisor**



*The Cover image displays Ridgeland and Hampton linemen working through the recovery efforts of Hurricane Helene.*



*"We would like to thank you guys for all you do to get our power back. We thought y'all would need some things to help keep you going so we made some little supply bags. Thanks for all you do."*





*Safety Days demonstrations teach children in the community how to 'Play it Safe' around electricity.*

## ***Working Together for Safety***

There's no better way to improve safety procedures for linemen, employees, our students and members than through continuous education and training. It is a job that we don't take lightly. In 2024, our participation in the national Rural Electric Safety Achievement Program (RESAP) earned Palmetto Electric high marks, showing our strong commitment to safety. We also continued Safety Days summer camps and Virtual Safety Days for students, using mascot Linny the Lineman, along with dedicated staff members and community partners, to teach safety awareness through videos and activities. The Virtual Safety Days program, streamed online via Facebook, YouTube and our website, continues to grow each year. In 2024, the videos were viewed nearly 51,140 times.

## **WORKING TOGETHER TO FIGHT RISING COSTS**

Palmetto Electric's not-for-profit model means keeping the cost of electricity down is a top priority. We work diligently to provide the highest quality of service to our members at the lowest reasonable cost, but unfortunately, some factors, like the rising cost of equipment, were beyond our control in 2024. In March, we implemented a slight increase to the facility charge for residential and small commercial accounts. The facility charge covers most costs associated with providing electricity to members' homes and businesses, including the equipment, labor, and operating costs necessary to serve the more than 80,000 meters on our system, regardless of the amount of energy used. While we always aim to keep costs low, passing this slight increase along was necessary to continue providing the dependable power our members deserve.

Throughout the year, we focused heavily on promoting our existing load management and energy efficiency services as a way to lower power costs. It takes all of us working together to help keep our costs as low as possible. For those who took advantage of the H2O Select, Smart Thermostat, and Beat the Peak programs, we are grateful for having you take the lead in reducing individual power consumption and increasing efficiency. Those who logged into MyEnergy online or MyEnergy app were better able to monitor their energy use and adjust accordingly. By providing information through multi-channel marketing efforts throughout the year—reaching out to members on

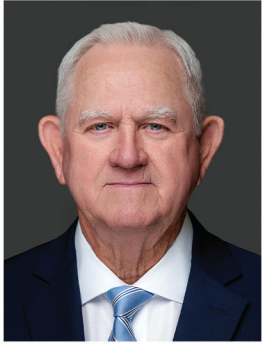
all of our social media pages, through South Carolina Living magazine, email newsletters, local media stories, and our website—we continued to increase awareness about our programs that are specifically created to help Palmetto Electric members keep their prices as low as possible. As a result, last year 948 off-peak switches were added to water heaters through the H2O Select program (which brings the total to 40,016 switches), and 685 smart thermostats were installed in our members' homes and small businesses (for a cumulative lifetime total of 1,870 installations).



*The Smart Thermostat program helps members save money and energy.*



# 2024 BOARD OF DIRECTORS



**Jeremiah E. Vaigneur**  
*Chairman of the Board*  
JASPER COUNTY



**D. Terrell Smith**  
*Vice Chairman*  
HAMPTON COUNTY



**Carolyn Grant**  
*Secretary-Treasurer*  
BEAUFORT COUNTY



**Dr. Earl Bostick Sr.**  
JASPER COUNTY



**Gregory S. Cook**  
HAMPTON COUNTY



**Nicholas T. Gohagan**  
HAMPTON COUNTY



**Alicia Holland**  
BEAUFORT COUNTY



**David C. Howard**  
BEAUFORT COUNTY



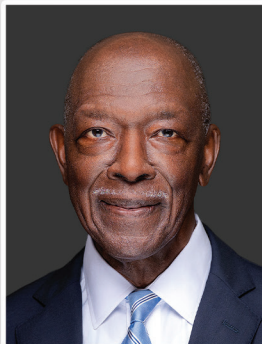
**William J. Nimmer**  
BEAUFORT COUNTY



**James L. Rowe**  
BEAUFORT COUNTY



**Thomas G. Stanley Jr.**  
JASPER COUNTY



**David L. White**  
BEAUFORT COUNTY

Palmetto Electric Cooperative is governed by a policy-making board of 12 directors, six of whom reside in Beaufort County, three of whom reside in Hampton County, and three of whom reside in Jasper County. The directors serve terms of three years each, with terms of two directors from Beaufort County and one director each from Jasper and Hampton County expiring each year. These directors are elected at each Annual Meeting of the members, and exercise all of the powers of the Cooperative, except those reserved to the members, according to the bylaws of Palmetto Electric.



# FINANCIAL REPORT 2024

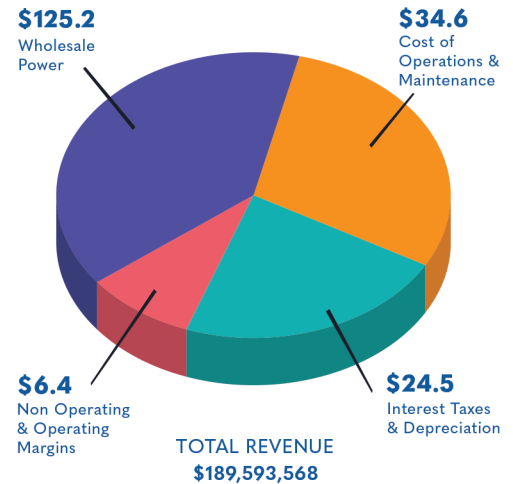
## BALANCE SHEET

	AS OF DECEMBER 31 <sup>st</sup> ,	
	2024	2023
<b>ASSETS:</b>		
Total Utility Plant.....	\$ 377,053,234	\$ 350,978,955
Less: Provision for Depreciation.....	<u>126,660,979</u>	<u>119,752,122</u>
<b>Net Utility Plant.....</b>	<b>\$ 250,392,255</b>	<b>\$ 231,226,833</b>
<b>Other Property &amp; Investments.....</b>	<b>24,487,572</b>	<b>23,009,451</b>
Cash - General Fund.....	\$ 7,651,372	\$ 4,419,931
Temporary Cash Investments.....	-	-
Accounts Receivable.....	\$ 10,190,299	\$ 9,373,458
Materials & Supplies.....	14,243,534	15,385,050
Accrued Unbilled Revenue.....	10,821,425	10,248,703
Prepayments.....	<u>294,568</u>	<u>261,904</u>
<b>Total Current and Accrued Assets.....</b>	<b>\$ 43,201,198</b>	<b>\$ 39,689,046</b>
Deferred Charges.....	<u>3,000,611</u>	<u>3,874,695</u>
<b>Total Assets and Other Debits.....</b>	<b><u>321,081,636</u></b>	<b><u>297,800,025</u></b>
<b>LIABILITIES:</b>		
Memberships.....	\$ 329,725	\$ 323,385
Patronage Capital.....	95,263,372	91,953,566
Other Equities.....	<u>9,112,638</u>	<u>9,006,647</u>
<b>Total Equity.....</b>	<b>\$ 104,705,735</b>	<b>\$ 101,283,598</b>
<b>Total Long-Term Debt.....</b>	<b>137,011,450</b>	<b>124,470,780</b>
Accounts Payable.....	\$ 13,308,840	\$ 12,397,165
Consumer Deposits.....	6,287,466	5,699,844
Other Current and Accrued Liabilities.....	<u>\$ 59,768,145</u>	<u>\$ 53,948,638</u>
<b>Total Current and Accrued Liabilities.....</b>	<b>79,364,451</b>	<b>72,045,647</b>
<b>Total Liabilities and Other Credits.....</b>	<b>\$ <u>321,081,636</u></b>	<b>\$ <u>297,800,025</u></b>

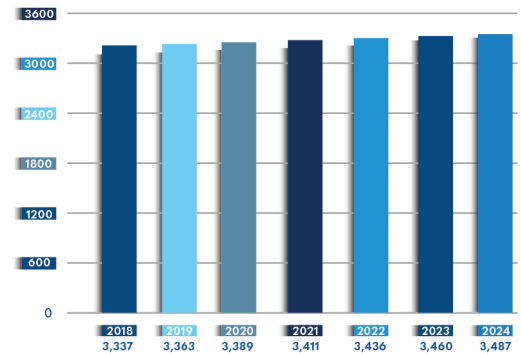
## STATEMENT OF MARGINS AND PATRONAGE CAPITAL

	AS OF DECEMBER 31 <sup>st</sup> ,	
	2024	2023
<b>Operating Revenue</b>	\$ 189,593,568	\$ 177,446,390
<b>Operating Expense</b>		
Cost of Power.....	\$ 125,271,749	\$ 119,190,017
Operation and Maintenance.....	13,762,490	13,199,115
Consumer Accounts.....	6,270,168	6,062,946
Administrative and General.....	14,650,852	13,703,853
Depreciation.....	11,118,497	10,543,162
Taxes.....	6,990,192	6,559,060
Interest.....	<u>6,430,450</u>	<u>5,376,748</u>
<b>Total Operating Expense.....</b>	<b>\$ 184,494,398</b>	<b>\$ 174,634,901</b>
<b>Net Operating Margins.....</b>	<b>5,099,170</b>	<b>2,811,489</b>
Non-Operating Margins.....	\$ (745,259)	\$ (681,572)
Patronage Capital from Associated Organizations.....	2,076,539	3,246,831
	<u>1,331,280</u>	<u>2,565,259</u>
<b>Net Margins.....</b>	<b>\$ 6,430,450</b>	<b>\$ 5,376,748</b>
Patronage Capital - Beginning of Year	<u>91,953,566</u>	<u>89,836,777</u>
	\$ 98,384,016	\$ 95,213,525
Retirement of Capital Credits	<u>3,120,644</u>	<u>3,259,959</u>
Patronage Capital - End of Year	<b>\$ <u>95,263,372</u></b>	<b>\$ <u>91,953,566</u></b>

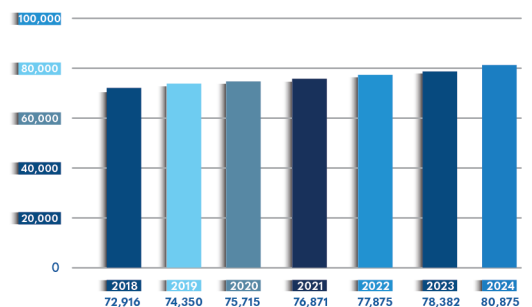
HOW YOUR DOLLAR WAS SPENT IN 2024  
(in millions)



MILES OF LINE



CONSUMER MEMBER ACCOUNTS




KWH/SOLD (in millions)

Year	2018	2019	2020	2021	2022	2023	2024
KWH/SOLD	1,540.3	1,510.0	1,478.5	1,551.7	1,493.0	1,488.0	1,594.0

The Cooperative's financial statements are audited annually by independent certified public accountants. Copies of the audited financial statements and accountants' reports are available for your inspection at the Cooperative's offices.





 **PALMETTO**  
ELECTRIC COOPERATIVE INC.  
Your Touchstone Energy® Partner 

*The Touchstone Energy symbol is your assurance that we're a community-minded electric cooperative providing high standards of service for customers large and small.*

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