

Dedication to our Members and Community

...during a year of adversity





Jeremiah E. Vaigneur
Chairman of the Board

A. Berl Davis Jr.
President and
Chief Executive Officer

Dedication to our membership and our community drives everything we do. Together this past year, we provided money, goods and manpower to assist our community and neighbors. We also added flexibility to many of our usual programs to deliver assistance when and how it was needed to best benefit members while continuing to provide the best possible service at an affordable price. Our dedication to serving those who needed a hand up during this difficult time is part of how we face tough challenges together.

During 2020's trying atmosphere, we put dedication into action through:

Programming Flexibility—The onset of the COVID-19 pandemic in March coupled with the EF4 tornado that tore through parts of Hampton County in April, left many in our service area in a vulnerable situation. We reviewed our policies and programs and temporarily suspended disconnects for non-payment and waived late fees, returned Capital Credits to our members ahead of schedule and implemented a drive-thru Annual Meeting and voting process in order to help ease the burden and provide safety for our members during these unavoidably hard times.

COVID Assistance—The new Give 5 initiative, where members pledged a \$5 or more donation on their electric bill during one month, allowed Palmetto Electric to provide additional funding to four non-profit agencies in our service area. Give 5 put the giving spirit and

generosity of our members on display, raising a total of \$116,838 for the agencies. We thank our members for helping to provide relief to those affected by job losses and furloughs due to COVID-19. That's neighbor helping neighbor in action!

Natural Disaster Assistance—The devastating impacts of the tornado that ripped through parts of rural Hampton County on April 13 spurred us into action. We deployed crews of linemen to repair and restore electrical service within four days to thousands of impacted members. We donated coolers filled with ice and pledged money to United Ministries of Hampton and the Hampton County Recreation Department. Using these funds, the organizations provided food, blankets, water, clothing, tarps and other basic needs items to those affected by the storm.

Donated Goods—The holiday spirit was alive and well, no matter what challenges 2020 brought. Women Involved in Rural Electrification (WIRE) collected and donated toys and canned goods to Bluffton Self Help. Similarly, Palmetto Electric employees collected and delivered 145 new blankets to share the warmth with local nursing center residents in the three-county service area. Employees also shopped for Christmas gifts and necessities for children in southern Beaufort, Jasper and Hampton counties identified by local school districts as students who would benefit from these gifts. Despite many other ongoing initiatives, Palmetto Electric employees dug deeper and pledged \$38,356 to United Way of the Lowcountry to provide even more assistance to the communities in which we all live and work.

In a year of converging crises—from coronavirus to an EF4 tornado—our focus was dedicated to those affected by these adversities. After all, our members, our community and our local county residents are the lifeblood of Palmetto Electric Cooperative.


Jeremiah E. Vaigneur


A. Berl Davis Jr.



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Dedication became our rallying cry in 2020, as we chose to dedicate ourselves to the action needed to help our community and membership as much as possible throughout an incredibly trying year. Our community has a long history of coming together in times of crisis, and we knew that by leading the charge, our employees and members would be inspired to jump in and contribute to helping others. And everyone did just that. We continue to be proud of the dedication and collaboration shown throughout the Palmetto Electric service area.

Dedication to flexibility of services

For organizations facing adversity, one unmistakable characteristic defines whether or not that organization can successfully adapt to face challenges—flexibility. When COVID-19 emerged as a new reality early in the year, we addressed our non-payment disconnect policy, temporarily suspending it for almost three months from March 17 to June 8 to give members a chance to assess and adjust to the new COVID-19 guidelines. We took a step further by waiving late fees for April and May, providing a spot of relief for members whose income was affected by forced business closures.

We also restructured our Annual Meeting in 2020. Our dedicated employees set up a drive-thru October 8–10 at the Ridgeland office to provide members with a safe way to register and vote at the 2020 Annual Meeting, and we moved the business meeting to a safer live streaming format. Employees did not skip a beat, organizing and publicizing the results of our annual drawings and giveaways online. We are so proud that our meeting was successful, safe and effective for everyone involved.

Palmetto Electric also disbursed retired Capital Credits back to members early. As you may know, Palmetto Electric allocates any leftover revenues after expenses are paid to our member-owners in the form of Capital Credits. Retired Capital Credits are normally disbursed back to members either in May for members attending the Annual Meeting or in early December. In 2020, we felt it helpful to speed up the process and distributed Capital Credit funds earlier in April, for a total distribution of \$3.5 million. It was one more expression of how we stand with our members in good times as well as bad.

Palmetto Electric employee Phil Jones helps a member at Palmetto Electric's 2020 drive-thru registration and voting.



Palmetto Electric President and CEO Berl Davis presented checks for \$5,000 each to James Porter, United Ministries of Hampton, and Tammy Thaxton, Hampton County Recreation Department.



Dedication to community

On April 13, a powerful tornado ripped through homes, displacing many families, and bringing devastating destruction to parts of Hampton County. More than 6,500 families in southern Beaufort, Hampton, and Jasper counties lost power when the tornado downed transmission and distribution lines, broke 115 poles, and caused problems at three substations. Palmetto Electric crews began recovery and repair efforts, working around the clock to restore power. Once again, our team took it a step further by delivering 32 Palmetto Electric coolers and 100 pounds of ice, donated by Publix at New River Crossing, to Hampton County Recreation Center. Volunteers were able to use the coolers to hand out food and drinks to victims and first responders. We were pleased to give \$5,000 each to the Hampton County Recreation Department and United Ministries of Hampton from Operation Round Up® and Palmetto Electric Cooperative to aid in relief efforts. These funds from Operation Round Up were a direct reflection of the regular, generous giving of our members to help those who are less fortunate or in troubling situations.

Sister crews from Fairfield Electric Cooperative and Black River Electric Cooperative came to work side by side during our tornado recovery efforts, and we paid the favor forward later in the fall when we sent a work crew to Louisiana to assist in recovery efforts from Hurricane Laura and Hurricane Delta.



Palmetto Electric crews worked around the clock to restore power to members affected by a devastating EF4 tornado in Hampton County.



Dedication to giving

Giving back is part of the Palmetto Electric Cooperative way, and we could not donate to such diverse causes without the generosity of our members and employees. Born out of that cooperative spirit, the launch of the Give 5 initiative was designed to raise funds to help those in our three-county service area faced with growing rent, mortgage, utility and food bills resulting from economic hardships and job losses caused by the pandemic. Generosity ruled the day, as members, employees, Palmetto Electric and Operation Round Up together donated a total of \$116,838. This money was presented to Bluffton Self Help, Beaufort/Jasper Economic Opportunity Commission, Deep Well Project and United Ministries of Hampton, who were aware of the needs of their county's residents and could serve them well.

The holidays are always a time of giving back, and we could not let 2020 slip by without serving the children in our community. WIRE made that happen in 2020, by collecting and contributing over 200 toys, canned goods, and \$1,891 in donations so many children and their families could experience a happier holiday season.

Community outreach to children continued through Shop with the Co-op, another example of our flexibility in programming. Because COVID restrictions forced the cancellation of the annual Touchstone Energy® Bowl, we replaced it by purchasing Christmas gifts for seven children—three in Beaufort, two in Jasper, and two in Hampton counties. Palmetto Electric, our community outreach group WIRE and The Electric Cooperatives of South Carolina all contributed funds to make this a holiday these students will not soon forget.



Palmetto Electric President and CEO Berl Davis presents a check to Executive Director Sandy Gillis, Deep Well Project on Hilton Head Island and as part of Give 5.

Palmetto Electric employees Caitlin Bryan, Tiffany Cuylear, Ashley Duncan, Michelle Waitt, Andrea Breton, Jason Davis and Seth Rex deliver collected blankets to a nursing center in Jasper County.

Palmetto Electric employees Brooke Mingledorff and Missy Santorum delivered Christmas gifts to a representative from the Jasper County School District.



On the cover:

2020 was definitely a year of adversity, and we continue to be proud of the dedication shown by our 143 employees and the mutual collaboration throughout the Palmetto Electric service area.

We are proud of all our employees. Representing our Co-op family are:

I-r, Gerald Malphrus Sr., Marketing Technician; Mike Taylor, V.P., Information Systems; Belen Almazan, Lead Customer Service Representative; David White III, District Operations Supervisor; Kayla Crosby, Payroll & Accounts Payable Specialist; Katie Threatt, Human Resources Specialist; Lesa Scott, Customer Service Representative I; Jose-Luis Aguilar, Assistant Operations Manager and Claude Terry, Engineering Technician.

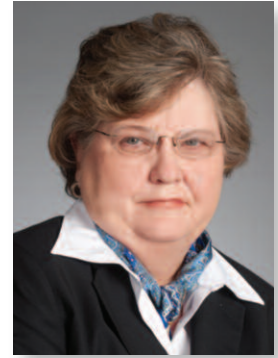




Jeremiah E. Vaigneur
Chairman of the Board
 JASPER COUNTY



C. Alex Ulmer
Vice Chairman
 BEAUFORT COUNTY



Eunice F. Spilliards
Secretary/Treasurer
 JASPER COUNTY



Dr. Earl Bostick Sr.
 JASPER COUNTY



Gregory S. Cook
 HAMPTON COUNTY



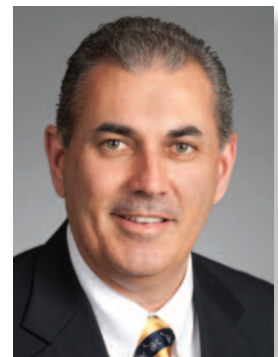
Henry Driessen Jr.
 BEAUFORT COUNTY



Nicholas T. Gohagan
 HAMPTON COUNTY



Carolyn Grant
 BEAUFORT COUNTY



William J. Nimmer
 BEAUFORT COUNTY



James L. Rowe
 BEAUFORT COUNTY



D. Terrell Smith
 HAMPTON COUNTY



David A. Solaro
 BEAUFORT COUNTY

Palmetto Electric Cooperative is governed by a policy-making board of 12 directors—six who reside in Beaufort County, three who reside in Hampton County and three who 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 counties expiring each year. These directors are elected at the Annual Meeting of the members and exercise all of the powers of the Cooperative, except those reserved for the members, according to the bylaws of Palmetto Electric.

BALANCE SHEET

AS OF DECEMBER 31,

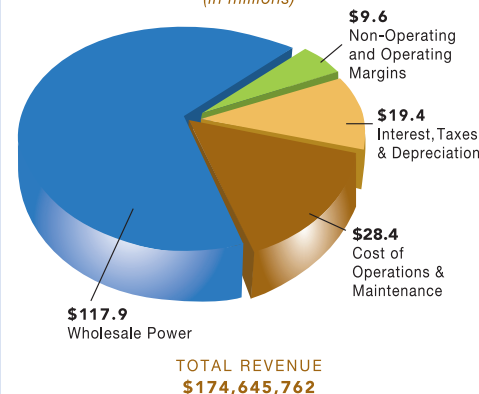
	2020	2019
ASSETS:		
Total Utility Plant	\$ 290,612,765	\$ 281,353,433
Less: Provision for Depreciation	99,810,620	94,226,177
Net Utility Plant	\$ 190,802,145	\$ 187,127,256
Other Property & Investments	24,485,667	18,636,995
Cash—General Fund.....	15,316,579	19,448,781
Accounts Receivable.....	5,053,709	6,262,819
Materials & Supplies	2,546,034	1,878,842
Accrued Unbilled Revenue.....	8,546,830	6,770,827
Prepayments	189,916	435,774
Total Current and Accrued Assets	31,653,068	34,797,043
Deferred Charges	12,328,321	12,265,830
Total Assets and Other Debits	<u><u>\$ 259,269,201</u></u>	<u><u>\$ 252,827,124</u></u>
LIABILITIES:		
Memberships.....	\$ 309,680	\$ 301,730
Patronage Capital.....	86,132,607	80,358,797
Other Equities.....	9,052,242	8,751,689
Total Equity	\$ 95,494,529	\$ 89,412,216
Total Long-Term Debt	88,747,544	93,231,146
Accounts Payable	\$ 11,987,347	\$ 8,765,691
Consumer Deposits.....	5,189,575	5,076,018
Other Current and Accrued Liabilities	57,850,206	56,342,053
Total Current and Accrued Liabilities.....	75,027,128	70,183,762
Total Liabilities and Other Credits	<u><u>\$ 259,269,201</u></u>	<u><u>\$ 252,827,124</u></u>

STATEMENT OF MARGINS AND PATRONAGE CAPITAL

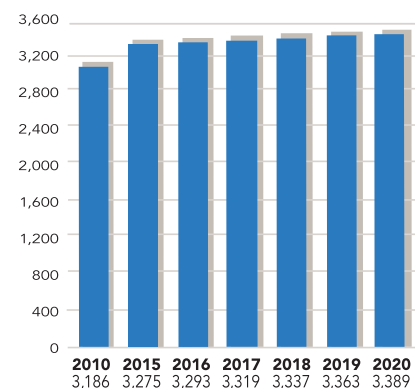
AS OF DECEMBER 31,

	2020	2019
Operating Revenue	\$ 174,645,762	\$ 170,570,570
Operating Expense		
Cost of Power	\$ 117,889,568	\$ 118,455,770
Operation and Maintenance	10,184,867	10,384,051
Consumer Accounts	5,780,698	5,485,482
Administrative and General	12,440,893	12,199,348
Depreciation	9,605,456	9,427,688
Taxes	6,064,577	5,967,265
Interest	3,744,964	3,754,966
Total Operating Expense	165,711,023	165,674,570
Net Operating Margins	\$ 8,934,739	\$ 4,896,000
Non-Operating Margins	\$ (240,802)	\$ 1,989,295
Patronage Capital from Associated Organizations	936,962	1,029,723
	696,160	3,019,018
Net Margins	\$ 9,630,899	\$ 7,915,018
Patronage Capital—Beginning of Year.....	80,358,797	76,299,120
	\$ 89,989,696	\$ 84,214,138
Retirement of Capital Credits	3,857,089	3,855,341
Patronage Capital—End of Year.....	<u><u>\$ 86,132,607</u></u>	<u><u>\$ 80,358,797</u></u>

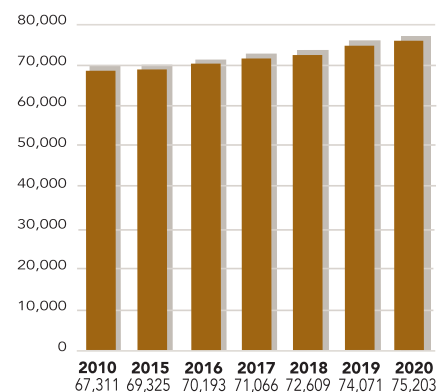
HOW YOUR DOLLAR WAS SPENT IN 2020
(in millions)



MILES OF LINE



CONSUMER MEMBERS



KWH / SOLD (Millions)



Hampton: 803-943-2211 Hilton Head: 843-681-5551 New River: 843-208-5551
Ridgeland: 843-726-5551 1-800-922-5551 palmetto.coop



For power outages, call: **PowerTouch**
1-866-445-5551



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.