



# MEMBERSHIP MATTERS

...at

**LEC** Laicens Electric  
Cooperative, Inc.

A Touchstone Energy® Cooperative 

2021 Annual Report



**Charles Adair**  
CHAIRMAN OF THE BOARD



**J. David Wasson Jr.**  
PRESIDENT AND CEO



## Membership Matters

2021 was another challenging year, but we got through it by working together as a community. That collaboration reflects the cooperative spirit as well.

When Laurens Electric Cooperative was founded in 1939, it was because neighbors came together to address the needs of the community. That's the power of people and partnership, and it holds true today. At Laurens Electric, you're more than a customer – you're a member-owner.

### Member Participation

Each year the co-op holds its Annual Meeting at which members vote for candidates to our Board of Trustees who will represent them in all decisions made at the cooperative. These candidates live and work in the communities they represent, and they are co-op members too.

The business meeting, held the first Saturday in June, provides members with information on the operation and condition of the co-op, and can be viewed this year on the co-op's web site, [laurenselectric.com](http://laurenselectric.com).



THE CO-OP OFFERS DRIVE-THROUGH VOTING AS A CONVENIENT AND SAFE OPTION FOR MEMBER PARTICIPATION IN THE BUSINESS OF THE COOPERATIVE.

## Member Satisfaction

Reliable, affordable power is the bottom line. We constantly monitor and assess energy industry challenges, changes, and policies that can impact our members, and work continuously to keep rates stable while keeping the power on.

We maintain rights of way year-round to lessen the chances of outages, but when storms approach or the potential for outages occurs, our line crews are on call and ready to work.

Each year we measure our performance through the American Customer Satisfaction Index (ACSI), which provides a uniform and independent measure of consumer experience. In 2021 we continued to achieve above-industry scores with an 83, far surpassing benchmarks set by other utilities, such as the Investor-Owned Utility Average and even Touchstone Energy® Cooperatives.



OUR LINE CREWS ARE READY AT A MOMENT'S NOTICE TO GET YOUR POWER BACK ON WHEN THERE IS AN OUTAGE.



CREWS INSTALL REGULATORS AT SUBSTATIONS, WHICH KEEP VOLTAGE LEVELS WITHIN ACCEPTABLE RANGES AND MAINTAIN POWER QUALITY AND RELIABILITY.

## Member Focused

Aside from our web site and social media channels, we also provide methods of communication that put the power in your hands.

Our Outage Center on the web site allows members to sign up for outage alerts via text message, so you can report an outage or check the status of an ongoing outage with a cell phone.

Members can also sign up to receive customized notifications about electric usage, receive due date reminders and be notified in case of severe weather and emergencies by signing into their account and selecting their preferences in the Member Portal.

Don't forget to get the LEC Connect App in your favorite app store – it's free.

As new technologies emerge, we also work to provide members with the energy programs they want. In addition to our two Community Solar farms, our Solar Advisory and Installation program is designed for members who are considering adding solar panels on their homes. Through this program we can walk you through the process and help you understand the economics. Additionally, we offer a Generator Program that can provide whole-home back-up power. We'll come to you for a free evaluation and help with the logistics of making sure a generator is right for your home. And in 2021 we started work on a new project—Geothermal heating and cooling.

Geothermal units are like ordinary heat pumps but use the solar energy stored in the ground to provide heating, air conditioning and hot water. Because geothermal units use the earth's natural heat, they are among the most efficient and comfortable heating and cooling technologies currently available.

ProTec provides more services for members. ProTec Services is a division of Laurens Electric and a BBB Accredited and award-winning business. ProTec serves more than 10,000 customers throughout the state, offering security systems, fire alarms, closed-circuit TV, access control, LifeGard medical response systems, surge suppression, and more. Visit the web site at ProTecService.com or find us on Facebook to see how ProTec can protect you.

**ProTec**<sup>™</sup>

MEMBERS CAN REPORT AN OUTAGE,  
CHECK THEIR ENERGY USAGE AND PAY A  
BILL ON THE LEC CONNECT APP.



LEC HAS ENERGY PROGRAMS SPECIALISTS  
STANDING BY TO ANSWER YOUR  
QUESTIONS ABOUT SOLAR POWER AND  
WHOLE-HOME BACK-UP GENERATORS.  
CONTACT US TO FIND OUT MORE  
ABOUT OUR ENERGY PROGRAMS.



## Member Benefits

As a member of the co-op, you own part of the company. As such, any funds available after operating costs and expenses are returned to you.

Last year the cooperative returned \$1,000,000 in patronage capital credits, which are similar in nature to the dividends paid to stockholders in investor-owned utilities. You could consider this money your dividend as a member-owner of the co-op. Members who are owed \$100 or less received the credit to their accounts in October. Call us to see if you have unclaimed credits.

But Capital Credits are just a small part of what it means to be a member of the Co-op. More importantly, it means you have a say in how your power company is run. As a result, we know we must answer to the people we serve – not to a select group of investors who may not even live in the same area where their customers receive power.

Laurens Electric is able to present you with Capital Credits year after year because we continue to remain strong. That strength comes from the trust our members have placed in us and our commitment to excellent service you've come to depend on since 1939.

ANY MARGINS OR REVENUES RELATED TO THE SALE OF ELECTRIC SERVICE REMAINING AFTER ALL EXPENSES HAVE BEEN PAID ARE RETURNED TO THE COOPERATIVE'S MEMBERS IN PROPORTION TO THEIR ELECTRICAL USAGE AS CAPITAL CREDITS.

- 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

## 7 COOPERATIVE PRINCIPLES

COOPERATIVES AROUND THE WORLD OPERATE ACCORDING TO THE SAME SET OF CORE PRINCIPLES AND VALUES, ADOPTED BY THE INTERNATIONAL CO-OPERATIVE ALLIANCE. THESE PRINCIPLES ARE A KEY REASON WHY AMERICA'S ELECTRIC COOPERATIVES OPERATE DIFFERENTLY FROM OTHER ELECTRIC UTILITIES, PUTTING THE NEEDS OF OUR MEMBERS FIRST.

## Members of the Community

Commitment to community is a core value. Throughout the year, Laurens Electric Cooperative organizes programs and charitable events. The co-op sponsors local high school students each year to attend Washington, D.C. Youth Tour and the South Carolina Cooperative Youth Summit. We hold an annual employee United Way fundraiser and reach out to the community through our women's charitable group, WIRE (Women Involved in Rural Electrification).

Laurens Electric helps hundreds of families in need each year through our Cooperative Caring program, which supplies funds to the Golden Strip Emergency Relief and Resource Agency and Laurens Baptist Crisis Center. They distribute the funds to local member families in need of help paying their utility bills.



**CooperativeCaring**



THE CO-OP SPONSORED 6 LOCAL HIGH SCHOOL STUDENTS TO ATTEND THE VIRTUAL YOUTH SUMMIT, WHICH CONCLUDED WITH IN-PERSON MEETINGS WITH SOUTH CAROLINA LT. GOV. PAMELA EVETTE AND CHRIS SINGLETON—A FORMER PROFESSIONAL BASEBALL PLAYER WHOSE MOTHER, SHARONDA COLEMAN-SINGLETON, WAS ONE OF NINE KILLED IN 2015'S EMANUEL AME CHURCH SHOOTING.

WIRE VOLUNTEERS FROM LAURENS ELECTRIC FILL BAGS WITH HYGIENE ITEMS FOR SENIORS IN LONG TERM CARE FACILITIES AS PART OF A STATEWIDE EFFORT DURING THE PANDEMIC.



With the Pay it Forward program, every LEC employee is entered into a random monthly drawing to receive \$500 to pay forward in any way he or she chooses. The program allows employees, who are co-op members' friends and neighbors, a hands-on opportunity to contribute to their communities.

Laurens Electric's Community Impact Initiative provides grants of up to \$2000 intended for public charitable purposes that enrich the quality of life of citizens in the communities we serve. Community members apply through their local Chambers of Commerce in Laurens, Mauldin, Simpsonville and Fountain Inn. Suggested interest areas are community development, education, the environment, health or arts and culture.

Thanks to the support of our employees and members of the community, the co-op has raised \$684,000 to invest back into the community since 2003.



LAURENS ELECTRIC'S COOPERATIVE CARING GOLF TOURNAMENT COULD NOT REPLACE ITS OTHER TWO ANNUAL FUNDRAISING EVENTS—THE HOLE IN ONE SHOOTOUT AND THE MOTORCYCLE RIDE TO GIVE WERE CANCELLED IN 2021 DUE TO COVID-19—BUT IT WAS STILL ABLE TO RAISE \$15,000 TO HELP MEMBERS AND COMMUNITY ORGANIZATIONS IN NEED.

## 2021 Board of Directors



Joe Nicholson DISTRICT 1



Bill Hendrix DISTRICT 2



Jim L. Perry DISTRICT 3



Charles Adair DISTRICT 4



Willie Belle Blakely DISTRICT 5



Eddie Abrams DISTRICT 6



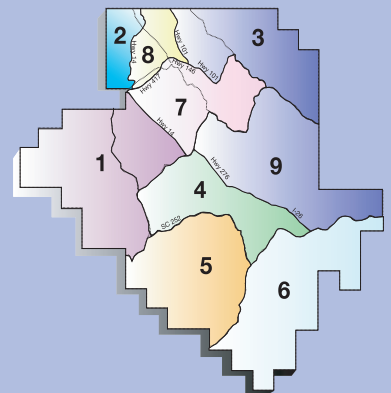
Marcus E. Cook DISTRICT 7



Reid Fisher DISTRICT 8

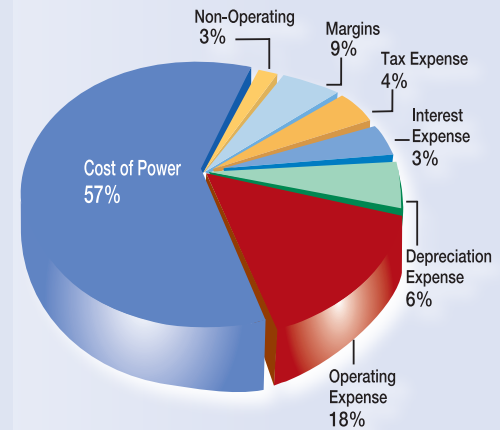


Mitchell Powers DISTRICT 9

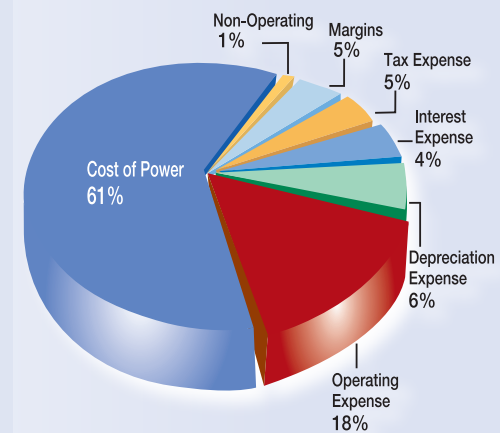


## Balance Sheet

	2021	2020
<b>Assets</b>		
<b>UTILITY PROPERTY, PLANT &amp; EQUIPMENT</b>		
Total Utility Plant in Service	\$ 294,603,342	\$ 282,270,800
Construction Work in Progress	7,256,248	9,430,715
Total Utility Plant	301,859,590	291,701,515
Less: Accumulated Depreciation	91,412,244	88,304,210
Net Utility Plant	210,447,346	203,397,305
Non Utility Plant	0	0
Investments in Associated Organizations and Other Property	30,628,414	27,211,731
Total Property, Plant & Equipment	241,075,760	230,609,036
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	27,515,746	17,901,257
Accounts Receivable	16,098,999	17,157,879
Notes Receivable	6,918,048	5,912,834
Materials and Supplies	2,375,183	2,048,774
Prepayments and Other Current Assets	865,194	849,748
Total Current Assets	53,773,170	43,870,492
DEFERRED DEBITS	0	-45
<b>TOTAL ASSETS</b>	<b>\$ 294,848,930</b>	<b>\$ 274,479,483</b>
<b>Liabilities &amp; Equities</b>		
<b>EQUITY</b>		
Memberships	\$ 330,105	\$ 324,615
Patronage Capital & Other Equities	104,621,265	90,111,185
Total Equity	104,951,370	90,435,800
<b>LIABILITIES</b>		
Accounts & Notes Payable	8,794,779	12,520,306
Member Deposits	2,892,189	2,976,217
Accumulated Operating Provisions	12,035,797	13,076,536
Other Current and Accrued Liabilities	15,114,713	16,357,157
Total Current Liabilities	38,837,478	44,930,216
LONG-TERM DEBT	145,979,484	132,034,889
DEFERRED CREDITS	5,080,598	7,078,578
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<b>\$ 294,848,930</b>	<b>\$ 274,479,483</b>



2021 Operating Expense



2020 Operating Expense

## Statement of Operations and Patronage Capital

	2021	2020
<b>ELECTRIC REVENUE</b>	<b>\$ 140,313,877</b>	<b>\$ 135,928,292</b>
<b>OPERATING EXPENSE</b>		
Cost of Power	86,374,734	85,476,417
Distribution Expense	12,008,203	11,094,756
Customer Account & Service Expense	4,428,869	4,606,990
Sales Expense	594,233	500,022
Administrative and General Expense	9,193,960	8,742,859
Depreciation Expense	8,525,141	8,217,423
Tax Expense	6,169,627	6,124,373
Other Expense	65,394	342,195
Total Operating Expense	127,360,161	125,105,035
Operating Margins Before Interest and Capital Credits	12,953,716	10,823,257
<b>INTEREST ON LONG-TERM DEBT</b>	<b>4,881,860</b>	<b>5,265,567</b>
Operating Margins Before Capital Credits	8,071,856	5,557,690
<b>NON-OPERATING MARGINS</b>		
Capital Credits from Related Organizations & Other Non-Operating Margins	4,974,165	1,769,855
<b>NET MARGINS</b>	<b>\$ 13,046,021</b>	<b>\$ 7,327,545</b>
Margins & Equities, Beginning of Year	\$ 90,435,800	\$ 74,951,384
Retirement of Capital Credits	1,395,448	1,000,000
Margins & Equities, End of Year	\$ 104,951,370	\$ 90,435,800