

Horry Electric Cooperative, Inc.

www.horryelectric.com

MAIN OFFICE

P.O. Box 119
 Conway, SC 29528-0119
 (843) 369-2211



**TO REPORT
 POWER OUTAGES ONLY**
 (843) 369-2212

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- Eugene Harriott Jr.
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- Ashley Anderson
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- Aaron C. Johnson
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 Jennifer A. Cummings
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Horry Electric Cooperative, Inc. is an equal opportunity provider and employer.

Horry Electric Cooperative Inc. is a non-profit, member-owned organization providing information and energy-related services on a fair and equitable basis.



A Touchstone Energy® Cooperative



Fundamental partners of your cooperative

THIS MONTH'S EDITION of *South Carolina Living* is your Official Notice of the Annual Member Meeting. You can

find additional details on page 5 and the outer cover wrap.

As we get closer to the Annual Member Meeting in May, this is a great opportunity to remind you how cooperatives offer their members the best of both worlds.

Founded by farmers and rural citizens, electric cooperatives were organized to bring power to rural areas that investor-owned utilities deemed unprofitable. For 83 years, Horry Electric has cultivated this not-for-profit small business philosophy and our roots run deep in Horry County. We live here, go to church here and we are actively involved in the community. Our purpose has always been to serve the members with reliable electricity at the lowest cost possible.

Horry Electric works with various partner organizations to bring you the benefit of size and economies of scale. Maintaining and operating more than 5,700 miles of line calls for a large supply of poles, wire and meters. Decades ago, electric cooperatives throughout the state formed a utility supply buying organization called CEEUS to help co-ops leverage buying power by purchasing materials and offering them at a more cost-effective price point.

Horry Electric is also part of a statewide association called The Electric Cooperatives of South Carolina (ECSC). They help us with political and legal issues, coordinate mutual aid assistance during major storms and help provide employee training. ECSC serves as attorneys, political experts, instructors and communication specialists.

The cooperatives of this state even pool our resources when it comes to economic development. The SC Power Team is the arm of South Carolina's electric cooperatives that helps attract industry (and its associated jobs and investment) to our area. Industry members buy power around the clock, which helps keep costs down and rates low.

Last, but certainly not least, is our generation and transmission cooperative, Central Electric Power Cooperative. Horry Electric and 19 other electric cooperatives in the state own and control Central for one purpose—to ensure members receive the best wholesale power rate. Collective buying enables us to get the best deal for you. Central handles generation and transmission needs, allowing us to focus on why we were created—to distribute safe, reliable and affordable electricity throughout our designated service area to you, our members.

Rural electric cooperatives like HEC were created back in the 1930s to serve the sparsely populated areas. While some parts of our formerly rural territories are denser than they once were, much of South Carolina's cooperative territory has the same low density it did 80 years ago. While this makes our task challenging, the hard work of the team at HEC and our critical partner organizations allows us to deliver reliability and affordability to you.

DANIEL B. SHELLEY, III
 Executive Vice President and CEO



HEC Conway Office, 2774 Cultra Road

Official notice of the Annual Member Meeting

THE ANNUAL BUSINESS Member Meeting of Horry Electric Cooperative, Inc. will be held virtually on Wednesday, May 10 at 7 p.m. We will hold a day and a half of Drive-Thru Registration on May 9-10 at our Conway office, located at 2774 Cultra Road. Action will be taken on the following matters:

- ▶ The report of officers, trustees and committees;
- ▶ The election of trustees;
- ▶ All other business which may come before the member meeting, including any necessary bylaw changes.

Drive-Thru Registration begins at 7 a.m., and each cooperative member is urged to attend. We also urge members to tune in to the virtual meeting.

Each member who registers will receive a \$25 credit on their bill. **Only members who register, in person, on Tuesday, May 9 between the hours of 7 a.m. and 7 p.m., or Wednesday, May 10 between the hours of 7 a.m. and 11 a.m. are eligible to receive the registration gift.**

Members who register will be automatically entered in the prize drawings. Prize winners will be announced following the virtual meeting.

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|------------------------|--|
| May 9, 7 a.m.–7 p.m. | Early Drive-Thru Registration and Voting |
| May 10, 7 a.m.–11 a.m. | Early Drive-Thru Registration and Voting |
| May 10, 7 p.m. | Virtual Business Meeting |

ASHLEY ANDERSON
Secretary/Treasurer

HORRY EXTRA

More details inside!

On pages 20A–20D in this month’s magazine, you can get details on our 2023 capital credit disbursement, see Horry Electric’s board member district map, read bios of our trustee candidates and review the cooperative’s 2022 financials.

Join us!

Horry Electric Cooperative Annual Member Meeting

Early Drive-Thru Registration and Voting

Tuesday, May 9, 7 a.m.–7 p.m.

Wednesday, May 10, 7 a.m.–11 a.m.

HEC Conway Office, 2774 Cultra Road

Virtual Business Meeting

Wednesday, May 10, 7 p.m.

Watch the business meeting online at horryelectric.com.

Registration Gift

\$25 electric bill credit

Each member who registers will receive a \$25 credit on their bill. Only members who register, in person, on Tuesday, May 9 between the hours of 7 a.m. and 7 p.m., or Wednesday, May 10 between the hours of 7 a.m. and 11 a.m. are eligible to receive the registration gift.

Prize Drawings

Drawings will be held for a \$600 first prize, \$400 second prize and \$200 third prize, plus more than 50 other door prizes. Prize winners will be notified following the virtual meeting.

Grand Prize!

2019 E-Z Go TXT electric golf cart

Each cooperative member is urged to attend.

We also urge members to tune in to the virtual meeting.



Grand Prize

Electric Golf Cart
Picture not actual model.
Actual model may vary
in color and style.

Co-op returning \$5.4 million in capital credits to members

THIS MONTH, Horry Electric Cooperative will return approximately \$5.4 million to members who had active accounts in 2007 and/or 2022.

These payments reflect a unique feature of cooperative businesses—capital credits.

After the co-op has paid expenses for a given year, left over margins are allocated to members through capital credits. When finances allow, co-ops like Horry Electric retire capital credits and refund those retired margins to members. This spring, members who had co-op accounts in 2007 and/or 2022 will receive payments based on how much electricity they paid for



during those years.

Jodi Jordan, office manager for Horry Electric, says the co-op refunds capital credits below \$100 to an active member's account. "Individuals who were members in 2007 and/or 2022 who don't get a check,

will see a credit on their electric bill," she notes.

Capital credit checks are expected to be delivered to members by the end of April. "It's an exciting time for us around here," she adds. "Being able to return capital credits is a direct reflection of the financial strength and stability of your cooperative. We can all take pride in this accomplishment."

The chart below is designed to help members calculate and estimate what their capital credit check might be. Questions about capital credits? Call the Member Service Department at (843) 369-2211.

Capital Credit Disbursement 2023

THE ALLOWABLE RETIREMENT this year is \$6,482,682.81 less \$990,000 in estate payments. The total amount being distributed is \$5,492,682.81 which includes the \$5,092,682.81 balance of 2007 and \$400,000 of 2022.

If you were a member in 2022, you will receive 3.39% of your 2022 assignment. If you were a member in 2007, you will receive the remaining unretired balance of your assignment for that year. You can calculate the approximate amount of your 2022 allocation and disbursement by using this example. Capital credit disbursements are distributed by the end of April.

If your 2022 electric bills totaled	\$1,000	\$1,500	\$2,000	\$2,500
The 2022 assignment factor is : (multiply the percentage times your bills)	6.6%	6.6%	6.6%	6.6%
Your Capital Credit assignment for 2022 would be:	\$66	\$99	\$132	\$165
The 2022 retirement percentage will be 3.39% of your capital credit assignment	3.39%	3.39%	3.39%	3.39%
Your general retirement refund for 2022 would be approximately:	\$2.24	\$3.36	\$4.47	\$5.59

It pays to be a member!

NOT MANY BUSINESSES pay you for buying something you wouldn't want to live without—but electric cooperatives do.

Unlike other types of companies, cooperatives do not have shareholders, who expect to make money from the company's profits. Co-ops are not-for-profit businesses that exist solely to provide their members with a particular service, such as electricity. In a cooperative like Horry Electric, members are stakeholders.

"In a co-op, the net margins don't belong to the company; they belong to the members who paid their monthly electric bills," explains Jodi Jordan, office manager for Horry Electric.

When the co-op takes in more money than is needed to run the business, the owners are entitled to a portion of those margins. It's an example of the Cooperative Principle of Member Economic Participation.

Each year, money is allocated to each member's account, according to the amount of electricity the member bought, notes Ashley Anderson, secretary/treasurer of Horry Electric's board of trustees.

"The more electricity purchased, the higher their share of equity. The co-op sets up a credit account that shows on the books the share of the year's net margins belonging to each member," Anderson says.

Generally, members don't receive a check the year they earned the capital credits. "That's because electric cooperatives use their members' equity to fund system improvements," Jordan says.

Jordan adds, "If we couldn't get the operating capital from member payments, we'd have to borrow from the bank or some other source, which would cause electric rates to go up."

Board of Trustees



Elaine D. Gore
District No. 1



Aaron C. Johnson
District No. 2



Johnny M. Shelley
District No. 3
President



Franklin C. Blanton
District No. 4



Ronald H. Floyd
District No. 5



Jody D. Prince
District No. 6



Ashley Anderson
District No. 7
Secretary/Treasurer



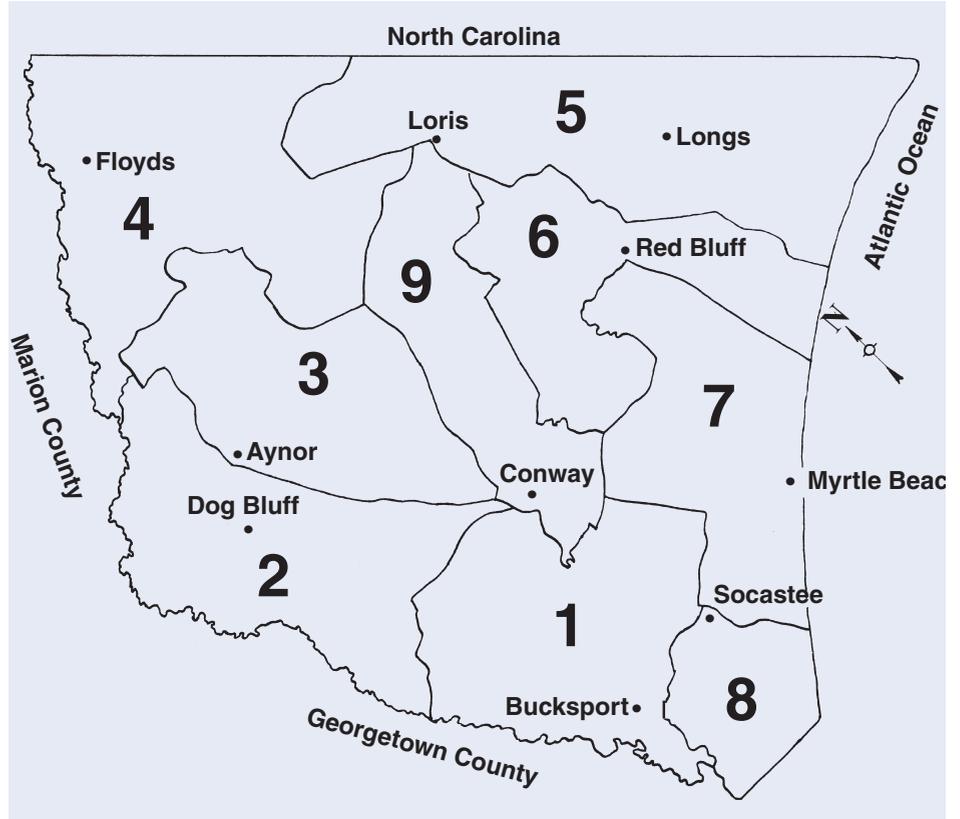
Eugene Harriott Jr.
District No. 8
Vice President



Freddy Thompkins
District No. 9



Kenneth Moss
Co-op Attorney



Horry Electric Cooperative, Inc.

Statement of nondiscrimination

Horry Electric Cooperative, Inc. is an equal opportunity provider and employer.

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Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be

made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed complaint form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, S.W.
Washington, DC 20250-9410
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

Meet the candidates

THE MEMBERS of the Nominating Committee, duly assembled, after giving full consideration to the district location, did nominate the following members of the cooperative as trustee candidates for a three-year term.



District #3

Johnny M. Shelley

Incumbent

1750 Highway 917
Nichols, SC 29581

JOHNNY SHELLEY and his wife, Sonnie, have two children, Cam and Kristi. Kristi

is married to Brian Forbus, and they have a son, Cole, and a daughter, Georgia. Cam and his wife, Jill, have a daughter, Jaelyn, and a son, Jackson. The Shelleys are lifetime members of Horry County's Pleasant View Community, where they are also members of the Pleasant View Baptist Church.

A farmer, Shelley has previous experience as a science teacher and a physical education teacher. He also worked for several years in the financial sector. Shelley is a graduate of Floyds High School and Campbell University. He plays an active role in Horry County and his community. He has experience serving on The Alliance for Health, Economic and Agricultural Development Committee (a Washington, D.C.- based committee), served as a governor's appointee for the revitalization Phase II board, and served on the Horry County Council for 13 years. He currently serves as a board member for Anderson Oaks Assisted Living and the Horry County Council on Aging Board of Directors. Shelley enjoys spending time with his grandchildren on the family farm. He currently serves as President of Horry Electric Cooperative, Inc. Shelley was elected to the Board of Trustees in 2002.



District #8

Eugene Harriott, Jr.

Incumbent

11006 Freewoods Road
Myrtle Beach, SC 29588

EUGENE HARRIOTT JR. has three children and one grandchild. He lives in the Burgess community and is a member of New Bethel Baptist Church.

Harriott is a registered barber. He served in the United States Army for three years as an aircraft hydraulic repairman and is a Vietnam veteran.

Harriott currently serves as Vice President on the Board of Trustees. He was elected to the Board of Trustees in 1993.



District #9

COL.(R) John Newcomer

Nominee

618 Plantation Circle
Conway, SC 29526

COLONEL(R) JOHN NEWCOMER retired to Conway in 2021 after 30 years in the Army, and eight years as a contractor for the Department of Defense. He has one son, Vincent, who resides in Florida. Newcomer is a member of Christ the Servant Lutheran Church in Conway.

Newcomer is an active member of the community and currently serves on the Rosehill Memorial Gardens Committee for the City of Conway. He is a life member of the Veterans of Foreign Wars and the American Legion, as well as a member of the Little River, South Carolina Benevolent and Protective Order of the Elks lodge. Additionally, he serves as the Vice President of the Lock Haven University Alumni Association Board in Lock Haven, Pennsylvania.

He graduated from Lock Haven University in 1984 with a Bachelor of Arts in Psychology. Newcomer has a master's degree in public administration from Georgia State University (Atlanta, Georgia) and a Master of Strategic Studies from the United States Army War College at Carlisle Barracks in Pennsylvania.

Newcomer is a rated helicopter and airplane pilot with nearly 5,000 flight hours over his 38-year career with the United States military. He was awarded the Legion of Merit, Bronze Star medal and the Defense Meritorious Service medal to name a few. He held various leadership and command positions, culminating as the Director of Army Reserve Aviation at Fort Bragg, North Carolina.

In his spare time, Newcomer enjoys golfing, exercising, reading, traveling, getting to know people and exploring the natural beauty of Horry County and South Carolina.



District #9

Freddy Thompkins

Incumbent

3955 Long Avenue Extension
Conway, SC 29526

FREDDY THOMPkins and his wife, Minnieree Allen Thompkins, have lived in the Maple

community for more than 20 years. They are members of First Baptist Church of Conway. They have two children, Allen Thompkins and Crystal Calhoun, and two grandchildren, Colby Calhoun and Callie Cate Calhoun.

An active member of the community, Thompkins is a member of the Masons and the Shriners. He retired from Horry Telephone Cooperative and is currently self-employed. He is a Vietnam veteran in the First Air Cavalry Division, where he served 13 months as a helicopter door gunner and as a crew chief. At that time, he was awarded the Army Commendation Medal with a V for Valor, a Combat Entry Badge and Flight Wings. While stationed at Fort Rucker in Dothan, Ala., he was nominated for Soldier of the Year Award with his company.

In his spare time, Thompkins enjoys watching sports, fishing, boating and spending time with his family.

Balance Sheet

ASSETS

Utility Plant

Electric Plant in Service - At Cost	\$423,679,676
Construction Work in Progress	<u>\$1,153,475</u>
Gross Utility Plant	\$424,833,151
Less: Accumulated Provision for Depreciation	<u>\$135,812,309</u>
Utility Plant - Net	<u>\$289,020,842</u>

Other Property and Investments

Investment in Associated Organizations	\$16,441,874
Other Investments	<u>\$503,904</u>
Total Other Property Investments	<u>\$16,945,778</u>

Current Assets

Cash and Cash Equivalents	\$87,285,325
Temporary Investments	\$2,000,000
Accounts Receivable	\$19,897,873
Accounts Receivable-Other	\$1,501,260
Materials and Supplies	\$7,754,874
Other	<u>\$1,681,012</u>
Total Current and Accrued Assets	<u>\$120,120,344</u>

Deferred Debits

\$11,135,704

Total Assets

\$437,222,668

Horry Electric Cooperative, Inc.

Your Touchstone Energy®
Cooperative 

EQUITIES AND LIABILITIES

Equities

Membership Fees	\$375,525
Patronage Capital	\$171,728,071
Other Equities	<u>\$31,171,742</u>
Total Equities	<u>\$203,275,338</u>

Long-term Debt

CoBank	\$58,067,022
FFB	\$99,851,932
CFC	<u>\$2,484,505</u>
Total Long-Term Debt	<u>\$160,403,459</u>

Other Noncurrent Liabilities

Accumulated Operating Provision \$503,804

Current Liabilities

Current Maturities of Mortgage Notes	\$9,020,539
Accounts Payable	\$19,830,437
Member Deposits	\$5,559,459
Accrued and Withheld Taxes	\$0
Other Current and Accrued Liabilities	<u>\$7,075,271</u>
Total Current Liabilities	<u>\$41,485,706</u>

Regulatory Liabilities

\$30,463,793

Other Deferred Credits

\$1,090,568

Total Equities and Liabilities

\$437,222,668

What we took in: \$180,546,213

What we paid out: \$171,997,542

Patronage Capital and Operating Margins \$8,548,671

Other Income and Equity -\$1,127,466

We had left: \$7,421,205

Comparative Operating Statistics

GROWTH

	2022	2021	2020	2019	2018	2017	2016	2015
Average Kwh per Residential Member per Month	1,124	1,149	1,107	1,151	1,213	1,116	1,166	1,193
Average Residential Bill per Month	\$156.27	\$155.17	\$152.72	\$159.25	\$167.41	\$155.70	\$159.77	\$162.05
Meters on System	90,475	87,422	84,507	81,919	79,747	78,127	75,984	73,879
Miles of Line	5,747	5,596	5,468	5,375	5,292	5,220	5,157	5,101
Average Cost per Kwh sold (Cents)	13.7	13.3	13.6	13.7	13.7	13.8	13.5	13.4

EXPENSES

Wholesale Power	67%	67%	66%	66%	66%	66%	65%	65%
Operating Maintenance and General Expenses	23%	22%	21%	20%	20%	20%	21%	20%
Depreciation	6%	7%	7%	7%	7%	7%	7%	7%
Interest	3%	3%	5%	6%	6%	6%	6%	7%
Taxes	1%	1%	1%	1%	1%	1%	1%	1%
Total	100%							