

Exhibit PM-1

DEMCO Proforma Statement of Operations - 2022

DEMCO - PROFORMA STATEMENT OF OPERATIONS - 2022*	(A) PROFORMA - UNADJUSTED	(B) ADJUSTED FOR EXTRAORDINARY ITEMS	ADJ. DESCRIPTION	(A) - (B) PROFORMA - ADJUSTED
1. Operating Revenue and Patronage Capital	\$ 228,995,729			\$ 228,995,729
2. Power Production Expense	-			-
3. Cost of Purchased Power	136,897,523			136,897,523
4. Transmission Expense	1,077,212			1,077,212
5. Regional Market Expense	-			-
6. Distribution Expense - Operation	8,611,263	344,536	Metering costs	8,955,799
			ROW costs of	
			\$3,596,808; DEMCO	
			to FEMA	
			reimbursements of	
7. Distribution Expense - Maintenance (offset by \$5.4M PPP Loan forgiveness)	12,554,026	5,131,808	\$1,535,000	17,685,834
8. Customer Accounts Expense	8,974,599	930,660	Metering costs	9,905,259
9. Customer Service and Informational Expense	785,198			785,198
10. Sales Expense	868,841			868,841
11. Administrative and General Expense	11,367,201			11,367,201
12. Total Operation & Maintenance Expense	\$ 181,135,863	\$ 6,407,004		\$ 187,542,867
13. Depreciation & Amortization Expense	23,442,749			23,442,749
14. Tax Expense - Property & Gross Receipts	5,700,000			5,700,000
15. Tax Expense - Other	1,268,866			1,268,866
16. Interest on Long-Term Debt	14,615,963			14,615,963
17. Interest Charged to Construction - Credit	(375,573)			(375,573)
18. Interest Expense - Other	450,000			450,000
			Additional interest	
			cost related to storm	
			recovery, financing of	
			the FEMA	
			reimbursements,	
			increased carrying	
19. Other Deductions	908,038	1,807,282	cost of inventory	2,715,320
20. Total Cost of Electric Service (12 thru 19)	\$ 227,145,906	\$ 8,214,286		\$ 235,360,192
21. Patronage Capital & Operating Margins	\$ 1,849,823	\$ 8,214,286		\$ (6,364,463)
22. Non Operating Margins - Interest	110,015			110,015
23. Allowance for Funds Used During Construction	-			-
24. Income (Loss) from Equity Investments	165,000			165,000
25. Non Operating Margins - Other	1,699			1,699
26. Generation and Transmission Capital Credit	-			-
27. Other Capital Credits and Patronage Dividend	431,497			431,497
28. Extraordinary Items*	-			-
29. Patronage Capital or Margins (21 thru 28)	\$ 2,558,034	\$ 8,214,286		\$ (5,656,252)
			Margins needed to	
			support Extraordinary	
			Expense and a 1.40	
Additional Revenue required to meet 1.40 TIER		3,285,714	TIER	11,500,000
			Total amount of	
			Extraordinary	
			Expense Items and	
			associated Margins	
			needed to support a	
29. Patronage Capital or Margins (21 thru 28) + Additional Revenue required to meet			1.40 TIER	
1.4 TIER	\$	11,500,000		\$ 5,843,748
TIER:				
29. Patronage Capital or Margins (21 thru 28)				\$ 5,843,748
16. Interest on Long-Term Debt				\$ 14,615,963
				\$ 20,459,711
TIER - Times Interest Earned Rate				1.40
TIER (Average 2 out of Highest 3 years):				
2019 (actual)	1.15			
2020* (removed)				
2021 (est.)	0.32			
2022 (est.)	1.40			
TIER (Average 2 out of Highest 3 years) estimated:	1.27			
TIER (Average 2 out of Highest 3 years) requirement:	1.25			
Millage rate Increase:				
Additional Revenue req'd for 1.40 Tier				\$ 11,500,000
Projected kWh sales - March through December 2022 (10 months)				1,842,567,985
Mills per kWh				6.24

* Based upon 2022 Proposed Budget submitted to DEMCO Board 12/14/2021

DEMCO 2022 Projections, Storm project close-outs and related interest expense

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Storm project close-outs, est. amounts due to FEMA:													
Hurricane Katrina				111,111	111,111	111,111	111,111	111,111	111,111	111,111	111,111	111,111	1,000,000
Hurricane Gustav				89,167	89,167	89,167	89,167	89,167	89,167				535,000
Expense portion	\$ -	\$ -	\$ -	\$ 200,278	\$ 200,278	\$ 200,278	\$ 200,278	\$ 200,278	\$ 200,278	\$ 111,111	\$ 111,111	\$ 111,111	\$ 1,535,000
Capital portion	\$ -	\$ -	\$ -	\$ 104,379	\$ 104,379	\$ 104,379	\$ 104,379	\$ 104,379	\$ 104,379	\$ 57,908	\$ 57,908	\$ 57,908	\$ 800,000
Total	\$ -	\$ -	\$ -	\$ 304,657	\$ 304,657	\$ 304,657	\$ 304,657	\$ 304,657	\$ 304,657	\$ 169,019	\$ 169,019	\$ 169,019	\$ 2,335,000
Storm project closeouts, est.	\$ -	\$ -	\$ -	\$ 304,657	\$ 609,314	\$ 609,314	\$ 609,314	\$ 609,314	\$ 609,314	\$ 473,676	\$ 338,038	\$ 338,038	\$ 2,335,000
	2.10%	2.10%	2.10%	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	
Total	\$ -	\$ -	\$ -	\$ 576	\$ 1,190	\$ 1,152	\$ 1,294	\$ 1,294	\$ 1,252	\$ 1,048	\$ 722	\$ 746	\$ 9,272 \$ 9,272

Exhibit PM-3

DEMCO 2022 Projections, Interest on storm recovery costs

2022 PROJECTIONS - EXTRAORDINARY ITEMS, Interest on storm recovery costs (Winter Storm Uri, Hurricane Delta, Hurricane Ida)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YE TOTAL
Storm costs, est. not yet reimbursed by FEMA:													
Hurricane Ida	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000
Winter Storm Uri	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Hurricane Delta	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
FEMA Reimbursements, est. pending payments:													
Hurricane Ida	-	-	-	-	-	-	-	(5,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)
Winter Storm Uri	-	-	-	-	-	-	-	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)	(800,000)
Hurricane Delta	-	-	-	-	-	-	-	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
Sub-total	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000	62,500,000	62,500,000	62,500,000	62,500,000	62,500,000	62,500,000
Hurricane Ida - Interest	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	65,000,000	59,000,000	59,000,000	59,000,000	59,000,000	59,000,000	
	2.10%	2.10%	2.10%	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	3.75%	3.75%	3.75%	
	\$ 115,932	\$ 104,712	\$ 115,932	\$ 122,877	\$ 126,973	\$ 122,877	\$ 138,014	\$ 125,274	\$ 121,233	\$ 187,831	\$ 181,772	\$ 187,831	\$ 1,651,255
Winter Storm Uri - Interest	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	
	2.10%	2.10%	2.10%	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	
	\$ 3,567	\$ 3,222	\$ 3,567	\$ 3,781	\$ 3,907	\$ 3,781	\$ 4,247	\$ 2,548	\$ 2,466	\$ 2,650	\$ 2,564	\$ 2,650	\$ 38,949
Hurricane Delta - Interest	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	
	2.10%	2.10%	2.10%	2.30%	2.30%	2.30%	2.50%	2.50%	2.50%	2.60%	2.60%	2.60%	
	\$ 6,242	\$ 5,638	\$ 6,242	\$ 6,616	\$ 6,837	\$ 6,616	\$ 7,432	\$ 4,884	\$ 4,726	\$ 5,073	\$ 4,915	\$ 5,079	\$ 70,307
Total Interest													\$ 1,760,510

*Note: All interest rates estimated for short-term borrowing, ranging from 2.1% and increasing to 2.6% during 2022, except Q4 for Hurricane Ida which is required to be moved to a long-term note. In October, 2022 and 3.75% is estimated long-term rate.

DEMCO 2022 Projections, Interest carry cost on increased inventory levels

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1960	17	18	19	20	21	22	23	24	25	26	27	28	29
1961	30	31	32	33	34	35	36	37	38	39	40	41	42
1962	43	44	45	46	47	48	49	50	51	52	53	54	55
1963	56	57	58	59	60	61	62	63	64	65	66	67	68
1964	69	70	71	72	73	74	75	76	77	78	79	80	81
1965	82	83	84	85	86	87	88	89	90	91	92	93	94
1966	95	96	97	98	99	100	101	102	103	104	105	106	107
1967	108	109	110	111	112	113	114	115	116	117	118	119	120
1968	121	122	123	124	125	126	127	128	129	130	131	132	133
1969	134	135	136	137	138	139	140	141	142	143	144	145	146
1970	147	148	149	150	151	152	153	154	155	156	157	158	159
1971	160	161	162	163	164	165	166	167	168	169	170	171	172
1972	173	174	175	176	177	178	179	180	181	182	183	184	185
1973	186	187	188	189	190	191	192	193	194	195	196	197	198
1974	199	200	201	202	203	204	205	206	207	208	209	210	211
1975	212	213	214	215	216	217	218	219	220	221	222	223	224
1976	225	226	227	228	229	230	231	232	233	234	235	236	237
1977	238	239	240	241	242	243	244	245	246	247	248	249	250
1978	251	252	253	254	255	256	257	258	259	260	261	262	263
1979	264	265	266	267	268	269	270	271	272	273	274	275	276
1980	277	278	279	280	281	282	283	284	285	286	287	288	289
1981	290	291	292	293	294	295	296	297	298	299	300	301	302
1982	303	304	305	306	307	308	309	310	311	312	313	314	315
1983	316	317	318	319	320	321	322	323	324	325	326	327	328
1984	329	330	331	332	333	334	335	336	337	338	339	340	341
1985	342	343	344	345	346	347	348	349	350	351	352	353	354
1986	355	356	357	358	359	360	361	362	363	364	365	366	367
1987	368	369	370	371	372	373	374	375	376	377	378	379	380
1988	381	382	383	384	385	386	387	388	389	390	391	392	393
1989	394	395	396	397	398	399	400	401	402	403	404	405	406
1990	407	408	409	410	411	412	413	414	415	416	417	418	419
1991	420	421	422	423	424	425	426	427	428	429	430	431	432
1992	433	434	435	436	437	438	439	440	441	442	443	444	445
1993	446	447	448	449	450	451	452	453	454	455	456	457	458
1994	459	460											

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Inventory/Materials, est. increased supply levels, COVID-related:													
Due to supply chain shortages, materials are harder to get and have longer lead times	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Total	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Inventory/Materials, increase levels	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	
Interest carry cost	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	
Total	\$ 3,185	\$ 2,877	\$ 3,185	\$ 3,082	\$ 3,185	\$ 3,082	\$ 3,185	\$ 3,185	\$ 3,082	\$ 3,185	\$ 3,082	\$ 3,185	\$ 37,500
													\$ 37,500
													Total interest \$ 37,500

EXHIBIT PM-5

CONFIDENTIAL

FILED UNDER SEAL – RULE 12.1

Exhibit PM-6

DEMCO Estimated increase in meter reading costs

DEMCO, Estimated increase in meter reading costs

	<u>12 Month Rolling</u>		
	<u>Actual spending</u>		
<u>Description</u>	<u>(June '20 - May '21)</u>	<u>2022 Budget</u>	<u>Increase/(Decrease)</u>
Sensus meter testing - 25% of system annually	\$ -	\$ 93,200	\$ 93,200
Contract non-pay disconnectors (supply chain issues with remote disconnect meters)	-	188,160	188,160
Contracted labor - meter installation (delayed due to storms and supply issues)	108,664	360,000	251,336
Contract meter reader staff (meter communication issues exacerbated by storm damage)	172,738	915,238	742,500
Total	\$ 281,402	\$ 1,556,598	\$ 1,275,196

Appendix A

DEMCO - Hurricane Katrina estimated storm project close-out costs

Yellow highlighted data per LouisianaPA.com (Louisiana Public Assistance), data retrieved 1/17/2022

Hurricane Katrina (Storm Year 2005):

Project Closed	Proj F#	Project Title	Project Closeout Status	Eligible Amt	Project Federal Percent	Project Federal Amt	Sum of Federal Obligated	Sum of Federal Paid	Sum of Fed Obligated less Fed. Paid
No	3327	ELECTRICAL DISTRIBUTION SYSTEM	Closeout In Progress (Closed for FEMA)				418,004	417,756	248
	3520	ELECTRICAL DISTRIBUTION SYSTEM	Closeout In Progress				721,047	721,047	-
	4390	ELECTRICAL DISTRIBUTION SYSTEM	Closeout In Progress				2,181,462	2,181,462	-
No Total							3,320,513	3,320,265	248
Yes	1928	EMERGENCY PROTECTIVE MEASURES	Closed Jul 22, 2016				27,920	27,920	-
	1944	EMERGENCY PROTECTIVE MEASURES	Closed Jul 22, 2016				34,446	34,446	-
	1996	EMERGENCY PROTECTIVE MEASURES	Closed Aug 22, 2014				97,209	97,209	-
	2006	EMERGENCY PROTECTIVE MEASURES	Closed Jun 09, 2014				111,221	111,221	-
	2014	EMERGENCY PROTECTIVE MEASURES	Closed Aug 13, 2015				147,338	147,338	-
	2047	EMERGENCY PROTECTIVE MEASURES	Closed Aug 18, 2015				292,036	292,036	-
	2082	EMERGENCY PROTECTIVE MEASURES	Closed Jul 17, 2014				349,991	349,991	-
	3207	ELECTRICAL DISTRIBUTION SYSTEM	Closed Jul 22, 2016				15,105	15,105	-
	3255	ELECTRICAL DISTRIBUTION SYSTEM	Closed Jul 17, 2014				402,436	402,436	-
	3335	ELECTRICAL DISTRIBUTION SYSTEM	Closed Jul 26, 2014				170,399	170,399	-
	3503	ELECTRICAL DISTRIBUTION SYSTEM	Closed Aug 26, 2014				1,354,853	1,354,853	-
Yes Total							3,002,953	3,002,953	-
All Total							6,323,466	6,323,218	
Hurricane Katrina									
Total							6,323,466	6,323,218	248

Appendix A

DEMCO - Hurricane Katrina estimated storm project close-out costs

Yellow highlighted data per LouisianaPA.com (Louisiana Public

Hurricane Katrina (Storm Year 2005):

Project Closed	Proj F#	Project Title	DEMCO Est. %'s to return to FEMA - Add'l estimated	Est. \$'s to return to FEMA - Add'l estimated	Total Est. \$'s to return to FEMA - w/Add'l estimated
No	3327	ELECTRICAL DISTRIBUTION SYSTEM	-45.0%	(188,102)	(188,102)
	3520	ELECTRICAL DISTRIBUTION SYSTEM	-45.0%	(324,471)	(324,471)
	4390	ELECTRICAL DISTRIBUTION SYSTEM	-45.0%	(981,658)	(981,658)
No Total				(1,494,231)	(1,494,231)
Yes	1928	EMERGENCY PROTECTIVE MEASURES			
	1944	EMERGENCY PROTECTIVE MEASURES			
	1956	EMERGENCY PROTECTIVE MEASURES			
	2006	EMERGENCY PROTECTIVE MEASURES			
	2014	EMERGENCY PROTECTIVE MEASURES			
	2047	EMERGENCY PROTECTIVE MEASURES			
	2082	EMERGENCY PROTECTIVE MEASURES			
	3207	ELECTRICAL DISTRIBUTION SYSTEM			
	3255	ELECTRICAL DISTRIBUTION SYSTEM			
	3335	ELECTRICAL DISTRIBUTION SYSTEM			
	3503	ELECTRICAL DISTRIBUTION SYSTEM			
Yes Total					
All Total					
Hurricane Katrina					
Total				(1,494,231)	(1,494,231)
Capital @ 30%					(448,269)
Expense @ 70%					(1,045,962)

Appendix A
 DEMCO - Hurricane Gustav estimated storm project close-out costs
 Yellow highlighted data per LouisianaPA.com (Louisiana Public Assistance), data retrieved 1/17/2022

Hurricane Gustav (Storm Year 2008):

Project Closed	Proj #	Project Title	Project Closeout Status	Eligible Amt	Project Federal Percent	Project Federal Amt	Sum of Federal Obligated	Sum of Federal Paid	Sum of Fed Obligated less Fed. Paid
No	1870	Public Utilities	Closeout In Progress (Closed for FEMA)	534,568	90%	481,111	481,111	1,614,289	(1,133,178)
	1876	Restoration of Electric Distribution System	Closeout In Progress (Closed for FEMA)	328,610	90%	295,749	295,749	1,138,176	(842,427)
	2155	Public Utilities	Closeout In Progress (Closed for FEMA)	8,304	90%	7,474	7,474	405,962	(398,489)
	2159	Restoration of Electrical Distribution System	Closeout In Progress	945,494	90%	850,944	850,944	875,456	(24,512)
	2501	Restoration of Electrical Distribution System	Closeout In Progress	884,983	90%	796,484	796,484	1,285,923	(490,438)
	2687	Restoration of Electrical Distribution System	Closeout In Progress	325,747	90%	293,172	293,172	352,034	(58,862)
	2836	Restoration of Electrical Distribution System	Closeout In Progress	253,801	90%	228,421	228,421	611,273	(382,852)
	6718	Restoration of Electric Distribution System	Closeout In Progress	1,489,071	90%	1,340,164	1,340,164	871,733	468,431
	6719	Restoration of Electrical Distribution System	Closeout In Progress	1,725,903	90%	1,553,313	1,553,313	1,163,505	389,808
	6721	Restoration of Electrical Distribution System	Closeout In Progress	1,747,387	90%	1,572,649	1,572,649	1,137,346	435,303
	6723	Restoration of Electrical Distribution System	Closeout In Progress	7,122,752	90%	6,410,476	6,410,476	5,227,019	1,183,457
	6724	Restoration of Electrical Distribution System	Closeout In Progress	4,314,620	90%	3,883,158	3,883,158	3,297,259	585,899
	6725	Restoration of Electrical Distribution System	Closeout In Progress	5,098,960	90%	4,589,064	4,589,064	3,749,617	839,447
	6732	Restoration of Electric Distribution System	Closeout In Progress	5,240,491	90%	4,716,442	4,716,442	3,632,593	1,083,849
No Total				30,020,692		27,018,623	27,018,623	25,363,186	1,655,437
Yes	1113	EMERGENCY PROTECTIVE MEASURES	Closed Aug 30, 2016	3,260,223	90%	2,934,201	2,934,201	2,934,201	-
	1521	Replaced damaged vehicle canopy	Closed May 28, 2015	13,186	90%	11,868	11,868	11,868	-
	1617	Repaired Damaged Training Building	Closed May 28, 2015	1,533	90%	1,380	1,380	1,380	-
	1619	Comite River Crossing of 69 KV Line	Closed Dec 28, 2016	250,127	90%	225,114	225,114	225,114	-
	1682	Repair of Transformer Building Damage	Closed May 28, 2015	29,270	90%	26,343	26,343	26,343	-
	2126	Restoration of Electric Distribution System	Closed Jun 19, 2015	433,597	90%	390,237	390,237	2,324,541	(1,934,304)
	3044	Restoration of Electrical Distribution System	Closed May 28, 2015	24,603	90%	22,143	22,143	22,143	-
	6720	Restoration of Electrical Distribution System	Closed Oct 01, 2016	448,524	90%	403,672	403,672	403,672	-
Yes Total				4,461,065		4,014,958	4,014,958	5,949,262	(1,934,304)
Hurricane Gustav Total				34,481,756		31,033,581	31,033,581	31,312,448	(278,867)

Appendix A

DEMCO - Hurricane Gustav estimated storm project close-out costs

Yellow highlighted data per LouisianaPA.com (Louisiana Public

Hurricane Gustav (Storm Year 2008):

Project Closed	Proj F#	Project Title	GOHSEP's accounting 7/13/21 of PW's in close-out	PW's not yet processed by GOHSEP	Est. \$'s to return to FEMA	DEMCO Est. %'s to return to FEMA - Add'l estimated	Est. \$'s to return to FEMA - Add'l estimated	Total Est. \$'s to return to FEMA - w/Add'l estimated
No	1870	Public Utilities	(1,237,859)		(1,237,859)			(1,237,859)
	1876	Restoration of Electric Distribution System	(844,983)		(844,983)			(844,983)
	2155	Public Utilities	(398,489)		(398,489)			(398,489)
	2159	Restoration of Electrical Distribution System	(24,512)		(24,512)			(24,512)
	2501	Restoration of Electrical Distribution System	(492,995)		(492,995)			(492,995)
	2687	Restoration of Electrical Distribution System	(323,862)		(323,862)			(323,862)
	2836	Restoration of Electrical Distribution System	(382,852)		(382,852)			(382,852)
	6718	Restoration of Electric Distribution System		468,431	468,431	-3.25%	(15,224)	453,207
	6719	Restoration of Electrical Distribution System		389,808	389,808	-3.25%	(12,669)	377,139
	6721	Restoration of Electrical Distribution System		435,303	435,303	-3.25%	(14,147)	421,156
	6723	Restoration of Electrical Distribution System		1,183,457	1,183,457	-3.25%	(38,462)	1,144,995
	6724	Restoration of Electrical Distribution System		585,899	585,899	-3.25%	(19,042)	566,857
	6725	Restoration of Electrical Distribution System		839,447	839,447	-3.25%	(27,282)	812,165
	6732	Restoration of Electric Distribution System		1,083,849	1,083,849	-3.25%	(35,225)	1,048,624
No Total			(3,705,551)	4,986,194	1,280,643		(162,051)	1,118,592
Yes	1113	EMERGENCY PROTECTIVE MEASURES						
	1521	Replaced damaged vehicle canopy						
	1617	Repaired Damaged Training Building						
	1619	Comite River Crossing of 69 KV Line						
	1682	Repair of Transformer Building Damage						
	2126	Restoration of Electric Distribution System	(2,013,856)		(2,013,856)			(2,013,856)
	3044	Restoration of Electrical Distribution System						
	6720	Restoration of Electrical Distribution System						
Yes Total			(2,013,856)	-	(2,013,856)		-	(2,013,856)
Hurricane Gustav Total			(5,719,407)	4,986,194	(733,213)		(162,051)	(895,264)
								Capital @ 40% (358,106)
								Expense @ 60% (537,159)

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to FEMA/GOHSEP, GOHSEP email dated 7/13/2021

From: Allison Hadley <Allison.Hadley@LA.GOV>

Sent: Tuesday, July 13, 2021 9:25 AM

To: Peggy Maranan <peggym@DEMCO.ORG>

Cc: Kevin Commander <KevinC@DEMCO.ORG>; Katie Guessfeld <katieg@DEMCO.ORG>; Tina Emerson <Tina.Emerson@LA.GOV>; Mike Johnson <mikej@DEMCO.ORG>

Subject: RE: Proposal in regards to removing DEMCO future claims from HOLD

CAUTION: This email originated from outside of the organization. Please do not reply, click links, or open attachments unless you were expecting this mail.

My apologies.. I left off one PW on the prior report. Please see attached report which reflects the \$5.7M overpayment balance.

Grant #	Name	Proj #	Recovery Status	Recovery Amount	Recovered Amount	Recovered Funds Balance
1786	DEMCO	1870	In Progress	\$ 6,360,197.11	\$ 5,122,338.50	\$ 1,237,858.61
1786	DEMCO	1876	In Progress	\$ 4,460,771.67	\$ 3,615,788.29	\$ 844,983.38
1786	DEMCO	2126	In Progress	\$ 4,717,042.55	\$ 2,703,186.40	\$ 2,013,856.15
1786	DEMCO	2155	In Progress	\$ 1,316,427.60	\$ 917,939.00	\$ 398,488.60
1786	DEMCO	2159	In Progress	\$ 428,183.52	\$ 403,671.92	\$ 24,511.60
1786	DEMCO	2501	In Progress	\$ 3,787,696.96	\$ 3,294,702.14	\$ 492,994.82
1786	DEMCO	2687	In Progress	\$ 1,487,366.96	\$ 1,163,505.16	\$ 323,861.80
1786	DEMCO	2836	In Progress	\$ 1,520,197.86	\$ 1,137,345.81	\$ 382,852.05
				TOTAL:	(\$	5,719,407.01

Thanks, A

Allison Hadley Saari
Disaster Oversight Section Chief
GOHSEP
Desk Phone: (225) 339-3798
Cell Phone: (225) 718-1815

<http://gohsep.la.gov/>

<https://www.getagameplan.org/>

From: Peggy Maranan [mailto:peggym@DEMCO.ORG]

Sent: Friday, July 9, 2021 1:02 PM

To: Allison Hadley <Allison.Hadley@LA.GOV>

Cc: Kevin Commander <KevinC@DEMCO.ORG>; Katie Guessfeld <katieg@DEMCO.ORG>; Tina Emerson <Tina.Emerson@LA.GOV>; Mike Johnson <mikej@DEMCO.ORG>

Subject: RE: Proposal in regards to removing DEMCO future claims from HOLD

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to FEMA/GOHSEP, GOHSEP email dated 7/13/2021

Allison,

Thanks for all of your feedback.

One question---in the spreadsheet you provided, it is showing \$5,336,554.96 of Overpayment Balance on DR1786, but in your email body you refer to \$5.7M as current overpayments. Can you help us understand the difference in these two figures?

	A	B	C	D	E	F
1	Grant #	Name	Proj #	Overpayment	Recovered Amount	Overpayment Balance
2	1786	DEMCO	1870	\$6,360,197.11	\$5,122,338.50	\$1,237,858.61
3	1786	DEMCO	1876	\$4,460,771.67	\$3,615,788.29	\$844,983.38
4	1786	DEMCO	2126	\$4,717,042.55	\$2,703,186.40	\$2,013,856.15
5	1786	DEMCO	2155	\$1,316,427.60	\$917,939.00	\$398,488.60
6	1786	DEMCO	2159	\$428,183.52	\$403,671.92	\$24,511.60
7	1786	DEMCO	2501	\$3,787,696.96	\$3,294,702.14	\$492,994.82
8	1786	DEMCO	2687	\$1,487,366.96	\$1,163,505.16	\$323,861.80
9						\$5,336,554.96
10						

Regards,

Peggy Maranan | DEMCO

From: Allison Hadley <Allison.Hadley@LA.GOV>

Sent: Thursday, July 8, 2021 4:01 PM

To: Peggy Maranan <peggym@DEMCO.ORG>

Cc: Kevin Commander <KevinC@DEMCO.ORG>; Katie Guessfeld <katieg@DEMCO.ORG>; Tina Emerson <Tina.Emerson@LA.GOV>; Mike Johnson <mikej@DEMCO.ORG>

Subject: RE: Proposal in regards to removing DEMCO future claims from HOLD

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Please see below comments:

GOHSEP will remove the payment hold on DR's 4570 (Hurricane Delta) and DR 4590 (LA Severe Winter Storms). Payment holds will remain on the following DR's:

DR 1603 – Hurricane Katrina

DR 1607 – Hurricane Rita

DR 1786 – Hurricane Gustav

DR 4015 – MS River Spring Flooding

DR 4080 – Hurricane Isaac

DR 4277 – LA Severe Storms and Flooding

DR 4484 – COVID-19

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to FEMA/GOHSEP, GOHSEP email dated 7/13/2021

The current overpayments total \$5.7M for DR 1786 projects

The applicant has submitted \$4.9M in RRF's. Of that \$4.9M GOHSEP has validated \$1.7M in costs with a remaining \$3.2M going through the review process. Best case scenario if all of the remaining \$3.2M is validated the applicant will have \$4.9M to be used as applied payments to the overpayment balance of \$5.7M. All of these figures are estimates until such time that a complete reconciliation has been performed on all projects under DR 1786. Once that has been completed GOHSEP will know the final overpaid amount for each project.

With regards to the highlighted below, I looked in LAPA and you only have \$36k that has not been processed/paid on PW 937, all other RRF's have been processed and paid. So for the \$535k you are referencing below you will need to submit RRF's to account for these obligated dollars so I would not suggest putting dollar values in the equation as we don't know what will be validated.

- 1) DEMCO would agree to leave the balance of any past storm claim funds that may be due to DEMCO "on hold". Currently, there is a balance showing due to DEMCO on "DR-4277 2016 Louisiana Severe Storms and Flooding" in LAPA.com of \$535,754. This represents "Federal Obligated dollars less Federal Paid dollars" on the 2016 Flood claim. These dollars would stay on hold until there is a resolution or final accounting of "DR-1786 Hurricane Gustav" claims. Any amounts that may be due at the time of final accounting on Gustav could come from payments applied from the 2016 Flood claim amounts due to DEMCO. The disposition of the 2016 Flood claim amounts "on hold" will be re-visited once we have a view of where we will land on the Gustav claim project close-outs, and we know how much is owed on Gustav and by whom.

Tina will need to confirm what is left to closeout for DR 1786.

I've attached the report we discussed today for your review. Please let me know if you have any questions or concerns.

Thanks, A

Allison Hadley Saari
Disaster Oversight Section Chief
GOHSEP
Desk Phone: (225) 339-3798
Cell Phone: (225) 718-1815

<http://gohsep.la.gov/>
<https://www.getagameplan.org/>

From: Peggy Maranan [<mailto:peggym@DEMCO.ORG>]
Sent: Thursday, July 8, 2021 3:18 PM

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to FEMA/GOHSEP, GOHSEP email dated 7/13/2021

To: Allison Hadley <Allison.Hadley@LA.GOV>

Cc: Kevin Commander <KevinC@DEMCO.ORG>; Katie Guessfeld <katieg@DEMCO.ORG>; Tina Emerson <Tina.Emerson@LA.GOV>; Mike Johnson <mikej@DEMCO.ORG>

Subject: Proposal in regards to removing DEMCO future claims from HOLD

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Allison,

Thank you for taking the time to meet with us today.

Just to confirm, before we present this to our CEO Randy Pierce for approval, GOHSEP's proposal is that DEMCO will be taken off "hold" for payments of any future claims if we agree as follows:

GOHSEP is estimating that DEMCO might owe approximately \$800,000 on "DR-1786 Hurricane Gustav" claims based upon their analysis of available information as of today. This is just an estimate at this point, a moving target, and the final close-out amounts on the various "not-yet-closed-out-PW's" could change as the close-out review process proceeds on the remaining PW's. As of today, it looks like there are 14 not-yet-closed PW's, PW's not through their final review by GOHSEP. GOHSEP is working to try and get these closed over the next couple of months.

- 1) DEMCO would agree to leave the balance of any past storm claim funds that may be due to DEMCO "on hold". Currently, there is a balance showing due to DEMCO on "DR-4277 2016 Louisiana Severe Storms and Flooding" in LAPA.com of \$535,754. This represents "Federal Obligated dollars less Federal Paid dollars" on the 2016 Flood claim. These dollars would stay on hold until there is a resolution or final accounting of "DR-1786 Hurricane Gustav" claims. Any amounts that may be due at the time of final accounting on Gustav could come from payments applied from the 2016 Flood claim amounts due to DEMCO. The disposition of the 2016 Flood claim amounts "on hold" will be re-visited once we have a view of where we will land on the Gustav claim project close-outs, and we know how much is owed on Gustav and by whom.
- 2) DEMCO would agree to pay to GOHSEP at this time \$264,246 (\$800,000 estimated Gustav shortfall less 2016 Flood event estimated balance due DEMCO of \$535,754)

In summary, the \$800,000 estimated Gustav shortfall would be offset by the 2016 Flood claim estimated balance of \$535,754 due DEMCO remaining on hold, and an additional cash contribution to GOHSEP from DEMCO of \$264,246. Any amounts due to or from DEMCO at Gustav final review/close-out will be settled up at that time.

Does this capture our conversation?

Once you confirm, we will then send this proposal onto Randy for approval. This email doesn't represent an approval request, it's a request to confirm the proposal before approaching Randy for his approval of the proposal.

Tina and Allison,

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to
FEMA/GOHSEP, GOHSEP email dated 7/13/2021

We can't thank you enough for taking the time to consider our request for doing what we can to have
DEMCO's future claim payments removed from "hold". We appreciate you and your team's support
through this process.

Regards,

Peggy Maranan | DEMCO

Director, Finance

16262 Wax Road, Greenwell Springs, LA 70739

o: 225.262.3026 | c: 225-397-0150

peggym@DEMCO.ORG



Providing safe, reliable and affordable electricity to co-op members since 1938.

www.DEMCO.org

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-----Original Appointment-----

From: Tina Emerson <Tina.Emerson@LA.GOV>

Sent: Tuesday, July 6, 2021 9:59 AM

To: Tina Emerson; Peggy Maranan; Allison Hadley

Cc: Kevin Commander; Katie Guessfeld

Subject: DEMCO's On Hold Zoom Meeting

When: Thursday, July 8, 2021 1:00 PM-2:00 PM (UTC-06:00) Central Time (US & Canada).

Where: <https://gohsep-la-gov.zoom.us/j/83795953918?pwd=bk1UKzFTN1krTERPMmZOclExT1prQT09>

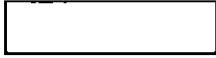
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My apologies this meeting will need to be pushed back to 1pm. This meeting will be to discuss the current on hold status for DEMCO.

Appendix A

Hurricane Gustav estimated storm project close-out

Email from GOHSEP containing estimated amount owed by DEMCO to
FEMA/GOHSEP, GOHSEP email dated 7/13/2021



Hi there,

TINA EMERSON is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

Passw 856849

ord:

Meetin<https://gohsep-la->

[gov.zoom.us/j/83795953918?pwd=bk1UKzFTN1krTERPMmZOclExTlprOT09](https://gohsep-la-gov.zoom.us/j/83795953918?pwd=bk1UKzFTN1krTERPMmZOclExTlprOT09)

URL:

Join by Telephone

Dial: USA 636 651 3185

Conference code: 181244

Find local AT&T Numbers:

<https://www.teleconference.att.com/servlet/glbAccess?process=1&accessNumber=6366513185&accessCode=181244>

Appendix B

DEMCO - Hurricane Ida Damage Inventory estimate, by FEMA Category (12/31/2021)

Category	Name of damage/facility	Approx. Cost
A	Wrecking Removal	\$ 8,400,000
A	Wrecking Monitoring	1,300,000
A	SEMS Transformer Collection and Disposal	180,000
B	Emergency Protective Measures	14,500,000
B	Camp Istrouma	3,600,000
B	Central HS Football Parking Lot	60,000
B	Element Hotel	4,600,000
B	Milldale Baptist Church	700,000
B	TWP	40,000
B	Staff Housing Central District Command Center	5,500,000
B	Donated Resources	100,000
B	Operations- EPM-DEMCO Force Account Labor and Equipment	8,400,000
B	DEMCO Force Account Labor	6,300,000
B	DEMCO Force Account Equipment	2,100,000
B	CATEGORY B: District Offices and Laydown Yards	1,400,000
B	Central District Office	450,000
B	Greensburg District Office	110,000
B	Livingston District Office	450,000
B	St. Francisville District Office	40,000
B	Galvez District Office	250,000
B	Zachary District Office	80,000
B	Whitehall Substation	10,000
B	Pete's Landing	10,000
B	CATEGORY B: Substation and Metering Point	62,200
B	Airline Substation	10,000
B	Elm Park Metering Point	400
B	Greensburg Substation	400
B	Harrell's Ferry Substation	11,000
B	Live Oak Substation	14,000
B	Lockhart Substation	400
B	Vignes Road Substation	10,000
B	Wall's Crossing Substation	9,000
B	Watson Substation	7,000

Appendix B

DEMCO - Hurricane Ida Damage Inventory estimate, by FEMA Category (12/31/2021)

Category	Name of damage/facility	Approx. Cost
B	CATEGORY B: Line Repair	7,235,000
B	Ascension Par. 104159 (WO 142/108)	600,000
B	East Baton Rouge Par. 104160 (WO 153/109)	672,000
B	East Feliciana Par. 104161 (WO 160/112)	472,000
B	Livingston Par. 104162 (WO 164/113)	4,060,000
B	St Helena Par. 104163 (WO 165/114)	1,271,000
B	Tangipahoa Par. 104164 (WO 166/119)	149,000
B	West Feliciana Par. 104165 (WO 167/126)	11,000
B	Petty Cash	125,000
E	CATEGORY E: Insurance Claims	250,000
E	Central District Office, Contents,& Vehicles	40,000
E	Greensburg District Office, Contents, & Vehicles	15,000
E	Livingston District Office, Contents, & Vehicles	90,000
E	St. Francisville District Office, Contents, & Vehicles	10,000
E	Galvez District Office, Contents, & Vehicles	80,000
E	Zachary District Office, Contents, & Vehicles	15,000
F	CATEGORY F: District Offices and Laydown Yards	550,000
F	Central District Office	80,000
F	Greensburg District Office	30,000
F	Livingston District Office	180,000
F	St. Francisville District Office	20,000
F	Galvez District Office	160,000
F	Zachary District Office	30,000
F	Whitehall Substation	25,000
F	Pete's Landing	25,000
F	CATEGORY F: Substation and Metering Point	148,213
F	Airline Substation	24,054
F	Elm Park Metering Point	785
F	Greensburg Substation	785
F	Harrell's Ferry Substation	25,734
F	Live Oak Substation	34,342
F	Lockhart Substation	785
F	Vignes Road Substation	24,054
F	Wall's Crossing Substation	20,503

Appendix B

DEMCO - Hurricane Ida Damage Inventory estimate, by FEMA Category (12/31/2021)

Category	Name of damage/facility	Approx. Cost
F	Watson Substation	17,171
F	CATEGORY F: Line Repair	21,705,000
F	Ascension Par. 104159 (WO 142/108)	1,800,000
F	East Baton Rouge Par. 104160 (WO 153/109)	2,016,000
F	East Feliciana Par. 104161 (WO 160/112)	1,416,000
F	Livingston Par. 104162 (WO 164/113)	12,180,000
F	St Helena Par. 104163 (WO 165/114)	3,813,000
F	Tangipahoa Par. 104164 (WO 166/119)	447,000
F	West Feliciana Par. 104165 (WO 167/126)	33,000
Z	DAC	3,217,771
		\$ 67,573,184

Appendix C

DEMCO 2022 Projections, Increase in inventory carrying levels

Listing of larger dollar item increases

*Support for estimated increase of \$1,500,000 in inventory carrying levels

<u>Inventory Category</u>	<u>Item/Description</u>	<u>2021 price increase %</u>	<u>Increase \$'s</u>
Interruptions	50533550-S & C INTELLIRUPTER	105%	\$ 75,200
Transformers	87000005-TRANSF 15KVA 1 BUSH/DUAL VOLT	138%	\$ 332,400
Transformers	87000009-TRANSF 25KVA 1 BUSH/DUAL VOLT	151%	\$ 365,959
Conductor	72500601-CONDUCTOR CU S D SOLID #6	204%	\$ 50,887
Conductor	72500401-CONDUCTOR CU S D SOLID #4	161%	\$ 44,658
Insulators	34292020-INS POST 69KV CLAMP TOP	114%	\$ 86,482
Poles	48453616-POLE 45-3	113%	\$ 57,965
X-Arms	18210511-XARM 3 3/4 X 4 3/4 X 10	128%	\$ 96,761
Poles	48405616-POLE 40-5	220%	\$ 276,455
Cutouts	18312210-CUTOUT 27 KV 100 A STAND	126%	\$ 67,763
Conductor	9152247-OKONITE 1000 MCM	121%	\$ 64,556
X-Arms	18210311-XARM 3 3/4 X 4 3/4 X 8	161%	\$ 119,646
Transformers	86000115-TRANSF 75KVA PADMT W/MOV H/P	119%	\$ 48,055
Transformers	87000109-TRANSF 25KVA 1 BUSH - STR 14.4	138%	\$ 76,500
			<u>\$ 1,763,288</u>

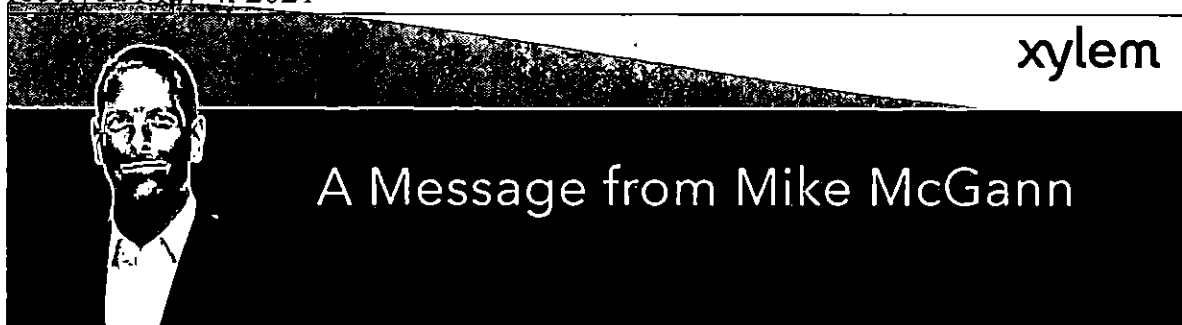
<u>Inventory Category</u>	<u>2021 price increase %</u>	<u>Increase \$'s</u>
Interruptions	105%	\$ 75,200
Transformers	137%	\$ 822,914
Conductor	162%	\$ 160,102
Insulators	114%	\$ 86,482
Poles	113%	\$ 334,420
X-Arms	144%	\$ 216,407
Cutouts	126%	\$ 67,763
		<u>\$ 1,763,288</u>

DOCKET NO. _____
In re Dixie Electric Membership
Corporation's Application for
Interim and Final Emergency Rate Relief

APPENDIX D

CONFIDENTIAL

FILED UNDER SEAL – RULE 12.1



Dear valued customer,

The global economic recovery from the pandemic is underway, driving a surge in demand for goods across many industries—particularly those that require electronic components. Demand is outpacing supply and prices of products, services and transportation are rising. Suppliers are changing their delivery forecasts while companies globally compete for high-demand components.

No one is untouched by the current state of affairs, including Xylem. The unavailability of component parts, a fire at the facility of a key supplier and the global disruptions brought on by the pandemic are all contributing to changes in lead times. In addition, multiple suppliers are de-committing our open orders on short notice. All of these factors are having an impact on our ability to deliver what you need, when you need it. As a result, please consider this letter a notice of force majeure.

Impact on Current Orders

Our colleagues are working hard to resolve the unavailability of component parts, which currently includes electronics and resins. However, given the dynamic situation, we are unable to estimate how long the challenges will persist. We will update you periodically as we learn more about the impact and duration of the component shortage on our ability to fulfill your order.

Impact on Future Orders

In parallel, we are extending our production and delivery lead times for future orders on a product-by-product basis. We will recommit orders on a regular basis and provide you with visibility to your shipments three (3) weeks ahead of time, based on the then-current view of product availability. If there is a change in the availability of parts, products may get to you faster.

Impact on Future Pricing

We are closely monitoring the impact of inflationary pricing from component suppliers, transportation companies and others as it may affect future pricing for new orders on some of our products.

How You Can Help

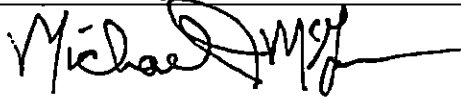
The phrase, 'we're in this together' has probably been spoken more in the past 14 months than in any other time in recent history. Simply put, we need your help to navigate the uncertainties. Here's how you can contribute to the solution:

- Place your firm orders as far out as possible (provide a 12 month view, if you can)
- Use order-entry tools, such as ship flag early no, to prevent significant pull-in of orders
- Most importantly, please avoid the urge to inflate your demand or exaggerate the date you need products to arrive

Our commitment to you remains steadfast. We will provide updates in a timely manner and will continue to explore all options to address issues that are in our control and to combat those that are not. If you have questions, please reach out to your sales representative.

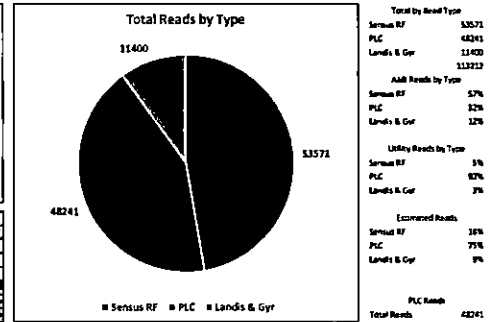
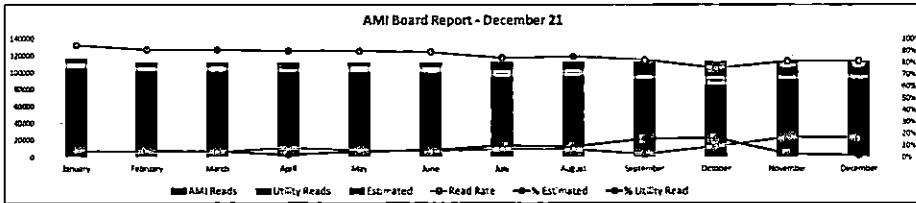
Sincerely,

Appendix E - Sensus Americas, supply chain communication,
received May 4, 2021

A handwritten signature in black ink, appearing to read "Mike McGann", with a long horizontal stroke extending to the right.

Mike McGann
VP, Sensus Americas, Global Engineering and Assessment Services

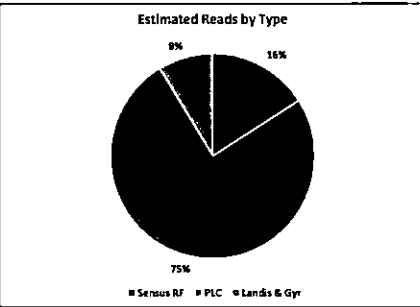
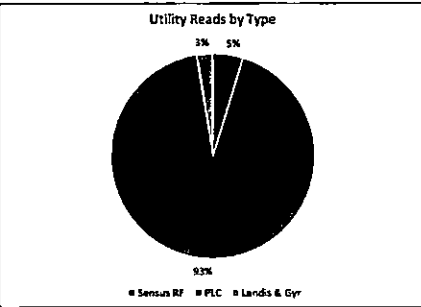
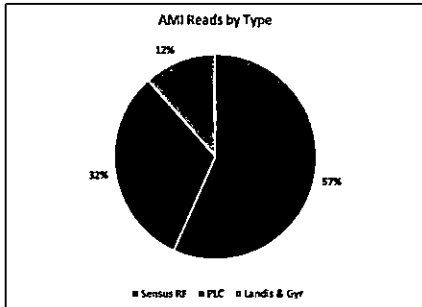
Appendix E
 DEMCO AMI Report - YTD December 2021
 Shows estimated reads increasing due to meter failures, requiring increase in manual meter reading



December 2021 by Cycle													
	1	2	3	4	5	6	7	8	9	10	11	12	
Total Meters	6362	13007	2472	2245	5270	14282	6282	4633	8455	4418	12678	9293	
AMI Reads	4384	9126	2125	1997	4788	13128	5835	4385	8090	4453	12188	8761	
Sensus RF	2160	1645	795	7785	2212	8823	5994	1169	1268	4215	2188	7992	
PLC	2250	3919	1331	311	2125	3575	292	711	1843	240	2156	1068	
L&G	74	5642	0	0	13	0	0	6	3	0	3544	23	
Utility Reads	1410	2957	305	96	798	1540	73	2514	289	123	2790	1223	
Sensus RF	40	48	10	45	35	249	46	52	15	81	43	28	
PLC	1389	1658	295	50	762	1330	27	2468	273	92	2220	1193	
L&G	1	358	0	1	2	3	0	74	0	0	27	0	
Estimated	48	344	4	82	82	324	150	42	100	40	100	26	
Sensus RF	4	17	7	24	3	45	7	21	12	17	5	19	
PLC	44	345	38	26	70	59	8	182	60	23	88	118	
L&G	0	82	0	0	1	0	0	0	0	0	7	1	

Read Rate by Type

Type	Read Rate	% Utility Read	% Estimated
Sensus RF	96%	96%	96%
PLC	96%	96%	96%
Lands & Gyr	96%	96%	96%



Appendix E

DEMCO - \$1.3M Metering cost increases explained

Mid-2021, we saw an increase in estimated reads required due to meter read failures. Due to supply chain issues with meters, we were not able to replace failing meters fast enough, requiring us to ramp up manual meter reading. The cost increases noted below for 2022 are compared to actual costs over the 12-month period June 2020 through May 2021. This 12-month rolling period was selected as a more normalized period of comparison because DEMCO went through a system-wide computer software system conversion in late June-2021 and then a storm recovery period with Hurricane Ida in the later part of 2021, both of which caused disruption in normal business activities.

Sensus Meter Testing (\$93,200 increase in 2022 over 12-month actual spending June 2020-May 2021)

This supports a recommendation by the Metering Department to audit the performance of the commercial meter system (Sensus RF) that is in place. This amount would support auditing 25% of said AMI system per year.

Contract Non-Pay Disconnectors (\$188,160 increase in 2022 over 12-month actual spending June 2020-May 2021)

Due to the supply chain issues from Sensus, this amount will support the employment of contract non-pay disconnectors to aid DEMCO with the anticipated workload revolving around non-pay disconnects.

Contract Labor Meter Installation (\$360,000 increase in 2022 over 12-month actual spending June 2020-May 2021)

When DEMCO is able to reengage into a meter changeout program in 2022, this is the amount needed that would support that program. The ability to perform meter change outs will depend upon supply chain availability of meters.

Contract Meter Reader Staff (\$915,238 increase in 2022 over 12-month actual spending June 2020-May 2021)

Due to the meter communication issues caused by storm damage and supply chain issues from Sensus, DEMCO needed to employ extra meter readers to assist with collecting reads from the failing meters that are currently in place. Please see the attached contract between DEMCO and Second Site Systems, DEMCO and Texas Meter and Device Company, LLC (TMD). Second Site's contract was set up on a per meter basis, no matter how many readers were on site. We currently have 9 Second Site meter readers on site. TMD's contract was set up on a day rate per meter reader. We currently have 3 TMD meter readers employed. We evaluated their portion of the contract based off of having 3 meter readers present every working day in 2022. That combined with what Second Site is providing should allow for us to successfully read 18-20K meters per month, the average amount of manual meter reads that we are currently obtaining. We employed TMD at this rate in an attempt to keep them on system to protect the possibility of reengaging them into the meter changeout program.