

EnergyUnited.
YOUR LOCAL CONNECTION

ANNUAL REPORT

2022



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Connection is part of everything we do, and in more ways than one. It's about keeping the lights on and families happy. It's about giving you the opportunity to reach out to friends and family near and far, and to remain productive within constantly evolving times. Connection is how we keep your Every Day Empowered, and a theme we're proud to share in this year's annual report.

OUR PROMISE TO YOU

OUR CORE VALUES



SAFETY To keep our employees, members and communities safe, we operate with safety protocols to protect the good of all involved. It's first on our list because it's the foundation of our co-op and our community.



INTEGRITY We trust each other, and through a collaborative effort, decisions affecting all aspects of our business are made — and full cooperation to support these efforts is expected. It's a different approach to business and one that we will always live by.



COMMITMENT We are dedicated to our members, customers, employees, communities and to ourselves. We do what we say we will do and maintain our tradition of citizenship and service with actions that demonstrate care for the people we serve.



EXCELLENCE Like they say, there's always room for improvement and our pillar of excellence is no exception. We continually strive to improve our products and services so that we all can prosper both as individuals and as a cooperative.



OUR MISSION, VISION AND PURPOSE

- EnergyUnited is a member-owned business committed to delivering reliable energy services at competitive prices.
- Our vision is to empower our people to serve our members and communities, to enhance their lives by providing safe, affordable, reliable energy services.
- To improve the quality of life for our members, customers and communities.

MEET OUR NEW CEO

THOMAS GOLDEN

Many of you may recognize Thomas Golden in the capacity of CEO from when he stepped into the role in May of 2022, though truthfully he's been a part of the EnergyUnited family since 2018 as Chief Operating Officer. He learned from the best from his predecessor Wayne Wilkins but also offers his own personal and professional takes that make him a great leader for our cooperative and its members. Read on and get to know Thomas a bit more!

Q: Tell us a bit about yourself.

I'm from a town called Middleboro, Massachusetts, and lived there until I joined the Navy at age 19. I spent 12 years in the Navy nuclear propulsion program, which helps design, develop and provide effective nuclear propulsion for Navy vessels. We called ourselves the "Navy Nukes" and it's the team that taught me a lot about the energy industry, but also about strategic thinking, teamwork and tenacity. Eventually, I left to work in shore-based nuclear energy and found my way here today.

Q: What brought you down to North Carolina?

I took a job at Duke Energy and got to really experience the South, its ideologies and character. My wife and I loved the history and the grit that it encapsulates and found that later, after taking a job back up north, our values and priorities had shifted to match much of what you find in the South. We're really happy to be back here —this is definitely home to us now, and we're proud to call it that.

Q: What have been some defining moments in your life that have shaped you into the person you are today?

On a personal level I would say marrying my wife, Kerry, is a pretty big one. We were high school sweethearts and it's been really something to have grown up together and to watch each other evolve. Twenty-three years and three sons later, it's probably one of the best things I've been able to experience in my life. On a professional level, I would say joining the Navy and embracing the idea of working



for the greater good. I would also say my mentorship with Wayne Wilkins. He's shown me how to work through things methodically and with a whole new level of patience.

Q: What's your biggest vice?

Probably that I like to eat like a 13-year-old boy, and sadly, it just doesn't work like that after you pass a certain age.

Q: What teams do you root for?

The New England Patriots for football and Charlotte FC for soccer. We're a big soccer family and we try to make it to as many Charlotte FC games as we can!



A LETTER

FROM THE CEO & PRESIDENT

There is no single, all-encompassing headline that truly describes 2022. But if there had to be one it would be “Making Connections to Keep Every Day Empowered.” We went into the year full of optimism and with ambitious plans, and once again, we experienced firsthand how our ability to adapt is crucial for our success as a cooperative.

Despite headwinds from a challenging global macroeconomic environment, and its effects, we were able to shift our rate structures for our members. We are proud that we still provide energy to you at the lowest possible cost. It’s part of what sets us apart as an at-cost energy cooperative and how we keep you connected to 99.9% reliable energy day in and day out.

The year started on a high note: After a strong and solid 2021, we had every reason to have high expectations for 2022. Most of the world fully reopened again, and the recovery after COVID-19 took off, which made it possible for us to travel and meet each other after almost two years of isolation. In the spring of 2022, we had the honor of hosting the National Association of Large Distribution Cooperatives Conference in our home state. It was a wonderful opportunity to

get together with cooperatives from all over the country and learn from industry experts on cost-saving initiatives, cutting-edge technology and internal processes to make for the most productive and efficient energy services industry.

In September, we hosted our first ever EV event in Troutman, NC. We had hundreds of locals and interested members come out to learn about what “driving change” really means. We worked to reduce paper use in our continued effort for paperless billing and facilitated new solar interconnections within our neighborhoods. These sustainable practices, both from an environmental and cost-effective standpoint, help us shape and define our service and are part of what makes us a leader in the electric industry. We’re excited by these strides and eager to share more with you in this annual report.

Our cooperative is also driven by our community connections and feedback. Despite adjusting to a hybrid model for much of our employee base, we have seen more involvement in our MAC (Member Advisory Committee) meetings, greater turnout at our community events and strong engagement on our social media.

It’s always great to see our community thriving, interacting and working together to create a truly energized membership.

2022 also marked the end of an era with the retirement of our longtime CEO Wayne Wilkins. He left some big shoes to fill, and I am proud to have his mentorship and guidance to lean on. Wayne, our cooperative is so lucky to have had your leadership and we all appreciate your service.

In the pages that follow you will find breakdowns of how we have connected members, communities, missions and opportunities in our 19-county service area. We look forward to sharing it with you and as always, keeping your **Every Day Empowered.**

**Thomas Golden,
CEO**

**Dr. Max Walser,
President**



EXECUTIVE LEADERSHIP TEAM



Thomas Golden
Chief Executive Officer



Brett Alkins
Chief Operating Officer



Gaudy Jandron
Vice President
Information Technology



Alec Natt
Chief Financial Officer



Pam Britt
Vice President
Human Resources



Steven McCachern
Vice President
Energy Delivery



LaQuisha Parks
Vice President Energy Services
and Corporate Communications

SERVICE AREAS

In 2022, our membership grew across our 19-county service area, and we now proudly serve nearly 137,000 member connections. We bring our members fast and reliable service at the lowest cost and strive to brighten our community through our core values while going above and beyond to provide uninterrupted power.

BOARD OF DIRECTORS

DISTRICT 1



Jerry Anderson



Edgar Cartner
Vice President*



Ann Eller
Secretary*

DISTRICT 2



Dr. Max Walser
President*



Ronnie Harrison
Treasurer*



Zolee Riggs

DISTRICT 3



Craig Black



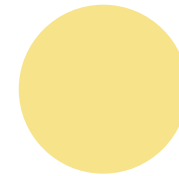
Brian Sisson



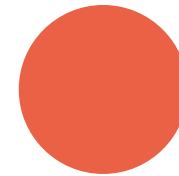
Cheryl Wright

*Officers served from January 2022 to October 2022

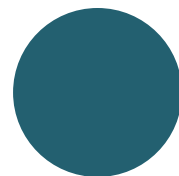
DISTRICT 1



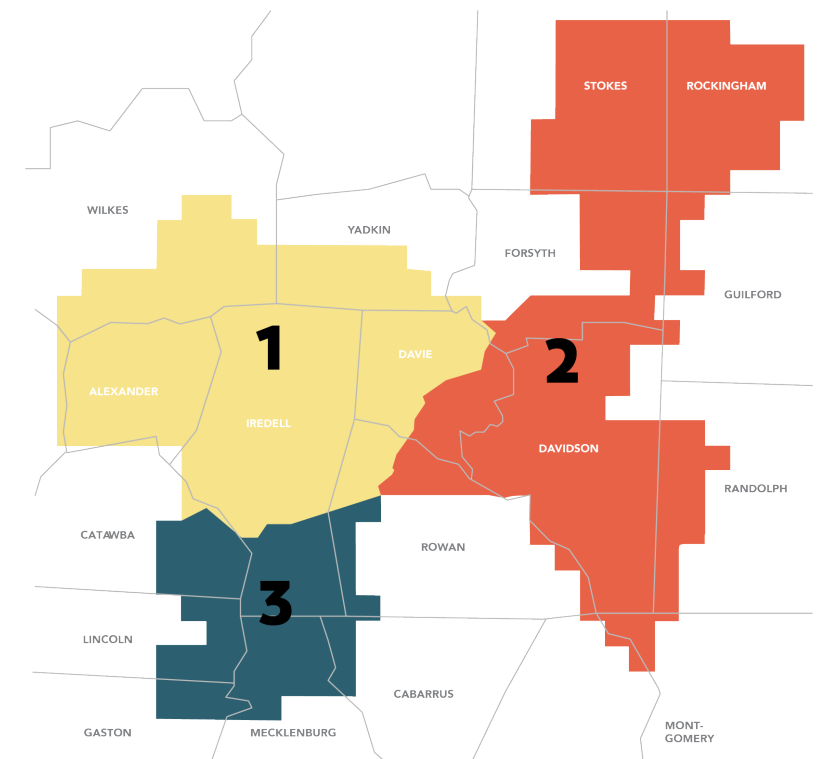
DISTRICT 2



DISTRICT 3



SERVICE AREAS



SAFETY

CONNECTIONS

Keeping our members connected to reliable energy starts with our number one priority: safety. It keeps our employees, our communities and our members thriving and truly is the bedrock of everything we do. Last year, our employees worked a total of 448,534 hours and drove 1,453,777 miles.

Within the year, there were over 40 Safety Training topics and our employees completed 94% of the required Safety training. Our Operations Team performed 8,802 job briefings within **Federated SAFE** and conducted **302 Job Observations**.

The OSHA TRIR (Total Recordable Injury Rate) for 2022 was 4.01 without COVID cases and 6.69 with COVID cases.

The OSHA DART (Days Away, Restricted or Transferred) rate for 2022 was 3.12 without COVID cases and 5.8 with COVID cases.



MODERN

CONNECTIONS

Grid modernization has become a bit of a catch-all phrase lately, and it's a term that often gets thrown around without much elaboration to it. To those who may need a refresher: Grid modernization refers to changes made to accommodate for advancements in electric generation, transmission and distribution. Said more simply, it's an effort to make our grids "smarter" by upgrading their technology and assets.

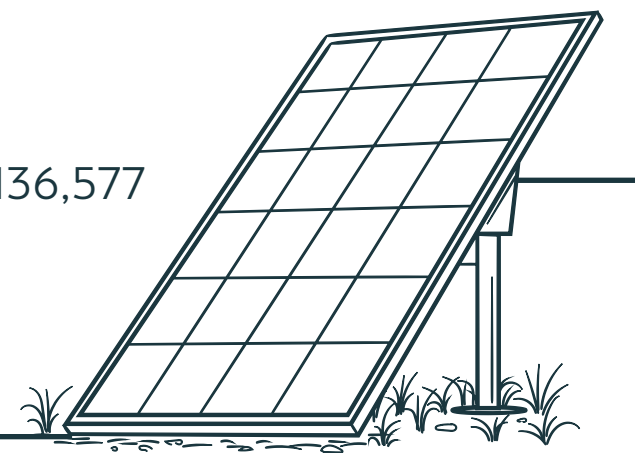
Initiatives like our Advanced Metering Infrastructure (AMI), Field Asset Inventory and Distribution Automation Switching have helped us increase meter reads to a 99.99% success rate over the past 20 months, added over 30 million data points to help communicate outages and put systems in place to help get your lights on sooner. Some of these upgrades, like AMI, have taken nearly two years to complete across our 19-county service area, but have yielded dramatic

improvements. It's exciting to see the fruits of our labor and the benefit it has provided to our membership.

Current updates include replacing our electric poles to a sturdier and safer material for our neighborhoods and linemen. It's no easy task, but it's an investment that will lead to safer pole-top climbs and reduce the rate of incidents. You may even see this shift taking place as you drive around your community. And if you do, don't be shy to give us a honk and a wave.

Of course, ensuring dependable energy is every electric company's goal. And our 99.9% reliability rating is proof that making these adjustments is vital to member satisfaction and quality power. As time goes on, there are sure to be even more innovations to grid modernization, and there's no question that we'll be here to receive them.

TOTAL NUMBER OF METERS: 136,577



BUSINESS

CONNECTIONS

Our economic development efforts promote healthy, balanced system load and cost recovery for the benefit of our cooperative.

2022 ECONOMIC DEVELOPMENT EFFORTS

A-RC-H Fire & Rescue

In 2022, our cooperative provided a zero-interest loan in the amount of \$360,000 to A-RC-H Fire & Rescue to fund the purchase of a new 1,250-gallon pumper fire engine. The loan was issued as the result of a grant that was awarded to EnergyUnited through the United States Department of Agriculture (USDA) Rural Development's Rural Economic Development Loan and Grant (REDLG) program.

Commercial Realty Advisors

Commercial Realty Advisors will utilize REDLoan funding for the construction of a facility in the Davie Industrial Center. The building will be located on Gildan Drive in Mocksville, North Carolina, just off I-40 and US-601. Mostly rural in nature, Mocksville is the county seat of Davie County, North Carolina.

The total project cost will be \$35 million. EnergyUnited will provide \$1.5 million

through a REDLoan. The remaining \$33.5 million will be secured through private funding and commercial loans.

Samet Corporation

EnergyUnited Electric Membership Corporation secured two \$2 million USDA Rural Economic Development REDLoans which went to the Samet Corporation and the City of Lexington as two separate 10-year zero-interest loans. The funds will be used to upgrade the water and sewer lines in the 763-acre site known as the Davidson County Corporate Park.

In addition to upgrading the water and sewer lines, Samet Corporation has plans to build 5 million square feet of speculative building space at a cost of \$300 million. Samet Corporation owns the entire property.

WHAT IS A RED LOAN?

REDLG funds provided by USDA Rural Development are used by cooperatives like EnergyUnited to help finance business start-up costs, business expansion projects, community development initiatives and more. This program contains two funding opportunities, separately known as the REDLoan program and the REDGrant programs.

Under the REDGrant program, the USDA provides grant funds to telephone or electric cooperatives to establish a revolving loan fund. Loans are made from the revolving loan fund to finance projects that support community development.

INVESTMENTS OF 2022

Davidson County: \$1,140,000

Iredell Statesville Schools: \$130,000

Town of Mocksville: \$300,000

Gildan Yarns in Davie County: \$800,000

A-RC-H Fire Truck in Davidson County: \$348,000

City of Thomasville: \$111,724

Our total investment balance was \$2.8M at the end of 2022.



CONSOLIDATED BALANCE SHEETS

Assets

	2022	2021
UTILITY PLANT		
Electric plant in service	\$ 685,399,291	\$ 663,088,820
Property and equipment – subsidiaries	468,119	468,119
Construction work in process	16,670,985	15,000,275
Subtotal	702,538,395	678,557,214
Less accumulated depreciation	265,964,510	260,618,858
Total Utility Plant	436,573,885	417,938,356
OTHER PROPERTY AND INVESTMENTS		
Restricted property and investments	1,519,896	1,391,470
Investments in associated organizations	30,090,968	29,460,861
Other assets	51,051,757	8,869,480
Notes receivable	2,042,862	3,510,058
Total Other Property and Investments	84,705,483	43,231,869
CURRENT ASSETS		
Cash and cash equivalents	10,761,354	4,463,388
Consumer accounts receivable, less allowance for doubtful accounts of \$907,626 and \$1,385,590 for 2021 and 2020, respectively	10,114,245	10,192,671
Other accounts receivable	460,329	787,338
Unbilled accounts receivable	18,016,943	12,326,669
Inventories and supplies	11,284,145	8,214,692
Current maturities of notes receivable	786,862	885,862
Other current assets	8,700,496	6,582,788
Total Current Assets	60,124,347	43,453,408
DEFERRED CHARGES	7,620,053	9,277,843
TOTAL ASSETS	\$ 589,023,795	\$ 513,901,476

	2022	2021
EQUITIES		
Member shares	\$ 573,630	\$ 559,090
Patronage capital	13,480,262	21,620,945
Other equities	324,770,775	220,162,366
Accumulated comprehensive gain/(loss)	54,302,776	8,383,031
Total Equities	303,127,443	250,725,432
NON-CURRENT LIABILITIES		
Long-term debt, less current maturities	205,799,776	173,830,919
Accumulated obligation for pensions and benefits, less current amount	8,996,812	10,468,338
Other non-current accrued liabilities	4,031,496	5,961,148
Total Non-Current Liabilities	218,828,085	190,260,405
CURRENT LIABILITIES		
Current maturities of long-term debt	14,703,466	10,202,630
Accounts payable	29,742,768	21,482,876
Consumer deposits	3,715,716	3,755,479
Other current liabilities	2,739,199	2,693,408
Total Current Liabilities	50,901,149	38,134,393
DEFERRED CREDITS	16,167,118	34,781,246
TOTAL EQUITIES and LIABILITIES	\$ 589,023,795	\$ 513,901,476

Equities and Liabilities

	2022	2021
OPERATING REVENUE	\$ 280,057,051	\$ 277,016,268
COST OF SALES	220,208,330	224,426,323
GROSS PROFIT ON SALES	59,848,721	52,589,945
OTHER EXPENSES		
Advertising, marketing and sales	1,308,592	1,089,556
Product services and labor	5,727,735	5,231,113
Other G&A expenses	14,728,601	14,920,397
Depreciation and amortization	24,259,832	22,872,548
Interest	6,356,419	6,215,040
Other	266,018	516,155
Total Expenses	52,647,197	50,844,809
NET OPERATING MARGINS	7,201,524	1,745,136
NONOPERATING MARGINS		
Interest income	1,026,039	886,312
Other income	2,020,716	2,063,541
Gain (Loss) on disposal of property	(101,051)	72,104
Total Nonoperating Margins	2,945,704	3,021,957
MARGINS Before Income Taxes	\$ 10,147,228	\$ 4,767,093
Provision for Income Taxes		(466,928)
Net Margins	\$ 10,147,228	\$ 5,234,021

Consolidated Statements of Revenues, Expenses and Patronage Capital

OPERATIONS & MAINTENANCE 16%

COST OF POWER
69%



DEBT INTEREST
2%

MARGINS
4%

DEPRECIATION 9%

SUSTAINABLE

CONNECTIONS

2022 offered a few challenges as inflation, supply-chain issues and global events played out on the world stage. In that spirit, the year offered a new take on what “sustainable living” means to us and reinforced the idea that progress is not always taken in a direct upward trajectory. Sometimes you have to take a few steps in another direction to truly see the changes, shifts and room for improvement. In this year’s sustainability report you will notice how we pivoted to make plans for future accessibility, and to make sustainability a goal for today, tomorrow and for many years to come. Read more about it by scanning the QR code to the right.



OUR ENERGY MIX

59.8% NATURAL GAS

8% COAL

29.7% NUCLEAR

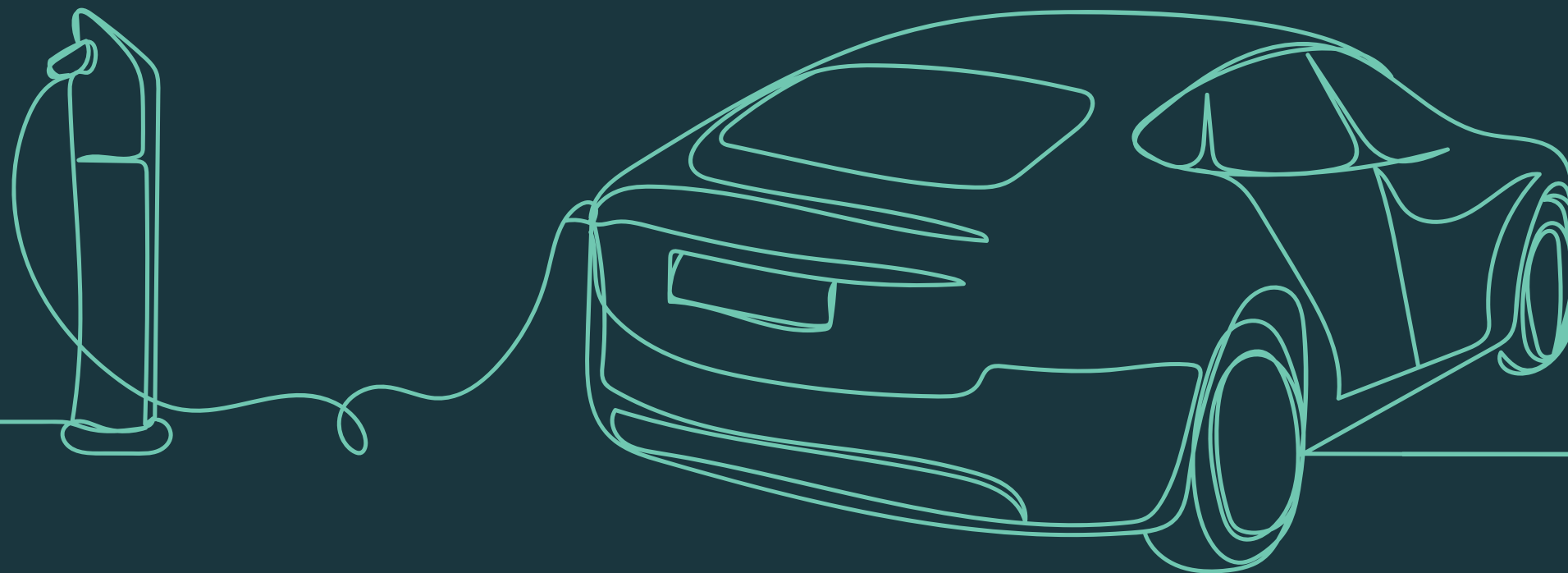
2.5% RENEWABLES



DRIVING CHANGE

In September of 2022 we held our first ever Electric Vehicle event. The event was held in Troutman, NC, and was an opportunity for members to learn more about electric vehicles, charging capabilities and even test drive a few. With a turnout of over 200 people, we are excited to share we will be hosting this event again in 2023!

Thank you to our partners throughout the community for their support and involvement in making this event possible.



COMMUNITY

CONNECTIONS

Our concern for the community is one of the many things that distinguishes us as a cooperative rather than investor-owned utility. That's why we stay committed to serving our communities day in and day out. 2022 was no exception. Over the past year, we are proud to have invested in outreach programs, grants and scholarship opportunities that provided unique benefits for EnergyUnited members within our 19-county service area.

BRIGHT IDEAS

Since 1994, EnergyUnited has been working alongside North Carolina's Electric Cooperatives to support teachers with our Bright Ideas Grant Program. This initiative awarded over \$40,000 in 2022 to K-12 teachers who were in need of supplemental funding for classroom projects to help kids across our 19 counties. Thank you, teachers, for your continual commitment to our students!

ENERGYUNITED FOUNDATION

The EnergyUnited Foundation helps members who may be feeling the stresses of life more than others. It plays a critical role in providing support for those who are facing financial hardship each year. To address these needs, the Foundation assisted 133 individuals, households and nonprofits by awarding nearly \$400,000 in grants throughout our service area in 2022. *The Foundation is funded by Operation Round-Up*, an initiative that calls upon our members to round up their monthly bills to help our neighbors in need.



OUR COMMUNITY OUTREACH HIGHLIGHTS

Empowering the Future

Every year, EnergyUnited chooses two highly qualified individuals for the Empowering the Future scholarship. Our 2022 winners: Sonya Eason of Huntersville and Mary Kathryn Schultz of Mayodan! Both students received \$5,000 college scholarships from EnergyUnited to cover qualifying educational expenses.



Youth Tour

Every year, cooperatives nationwide send two students on an all-expenses-paid trip to Washington, D.C., to learn about our nation's history while touring national monuments, museums and meeting with members of their state's congressional delegation. We are proud to have selected Patrick Oglesby of the North Carolina School of Science and Mathematics and Madeline Hiteshue, student at Pine Lake Preparatory, as our Youth Tour Delegates in 2022.



Sports Camp

Three local students earned all-expenses-paid Touchstone Energy Sports Camp Scholarships to attend summer basketball camps at two of the state's largest college campuses, UNC-Chapel Hill and North Carolina State respectively. Congratulations to Aubrey Graham and Layla Hazlip who represented EnergyUnited at the Wolfpack Women's Basketball Camp at North Carolina State University, and to Seth Snider who attended Carolina Basketball Camp at UNC.



CONVENIENT CONNECTIONS

We're so much more than an at-cost, reliable energy services provider – we're innovators who put the power in your hands (literally) to understand your energy usage.

That's why in 2022, we continued our integration of **My EnergyHub**, a smart platform that not only offers a seamless and convenient way to pay your bill but also makes managing your account as easy as possible. Whether on the web or via smartphone app (Android or iOS), members are able to pay their bill, view their usage, contact customer service and get updates all in one place. Here are just a few of the highlights of what makes My EnergyHub so great.

THE POWER IS IN YOUR HANDS

My EnergyHub allows you to customize how EnergyUnited communicates with you, so you get the information you need, however you want it. Set outage alerts, subscribe to communications or even go paperless — the choice is yours.

Rising costs and inflation in the past year have made an impact. My EnergyHub helps our members get smarter about their energy use and how to better conserve it. The result? A win-win: energy savings for the cooperative and cost savings for your wallet. Now that's empowering.

MAKING PAYMENTS EASY

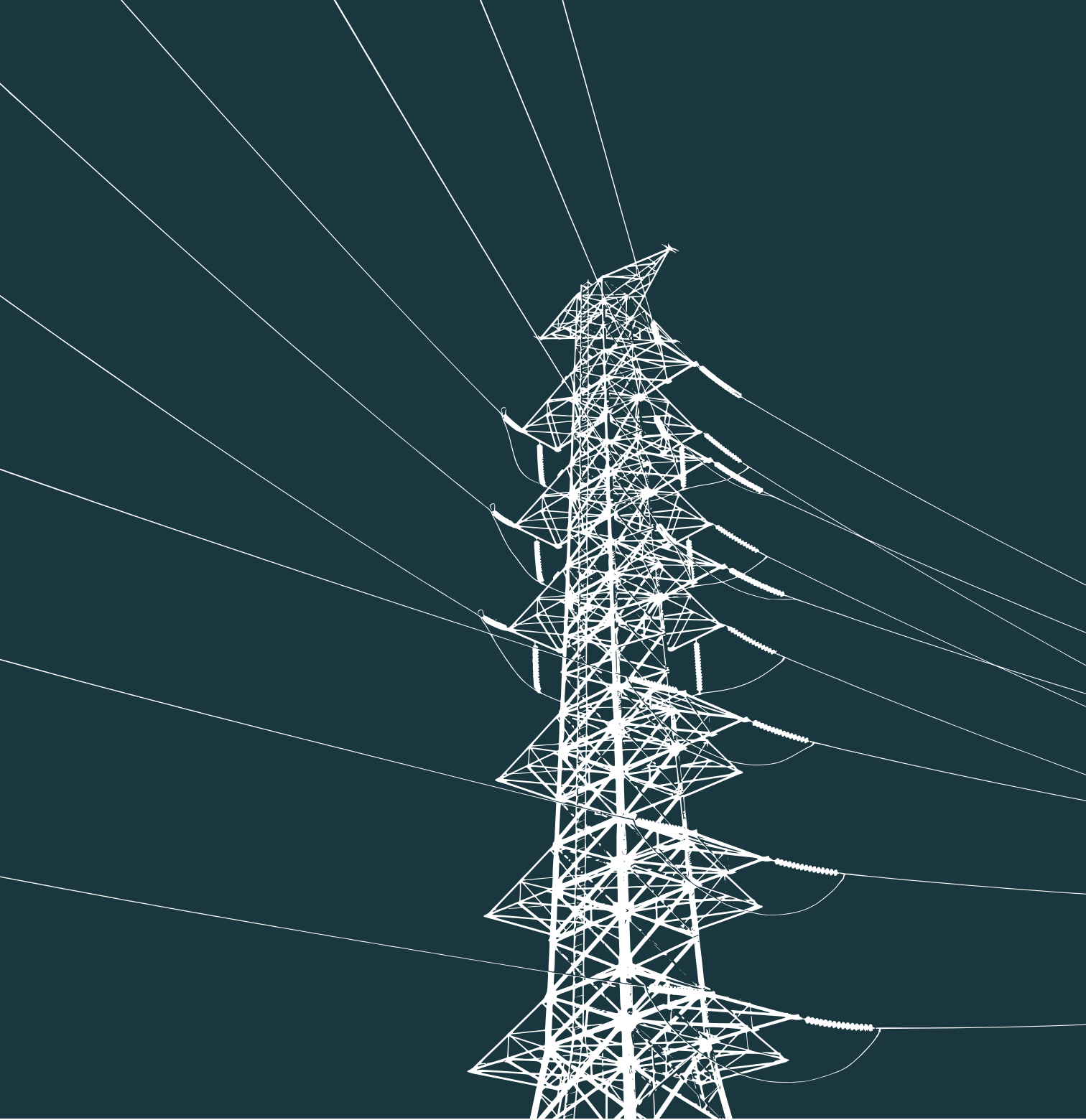
Members can securely store payment information for future transactions. Members can also set to autopay, and even select to go completely paperless — it's one way to help us keep rates low for our members!

KNOWLEDGE IS POWER

My EnergyHub users are able to view current bills, along with bills from the previous month or even the previous summer, if they want to compare costs. Not only does this allow members to see their billing history, they can also see actual energy usage and how it trends over time. This empowered many to take steps to lower their energy consumption and positively impact their bills!

EU





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