



# ILLUMINATING PROGRESS

**2022 ANNUAL REPORT**

# EXECUTIVE MESSAGE

## ILLUMINATING PROGRESS



**GREG ANDRESS**  
Executive Vice President  
& General Manager

In a year of rising costs and longer lead times in our supply chain, we continued to deliver on our promise to provide our members with safe, reliable electric power and energy services with exceptional value. We remained steadfast in this commitment, and our team worked diligently to implement new strategies and initiatives, allowing us to adapt to the changing landscape of the energy industry.

Over the last year, we continued to experience steady growth in membership. We managed 3% year-over-year growth in our number of member accounts — over 20% higher than the previous year's growth and higher than any single year in more than a decade. Our focus on responsible financial management and investment in infrastructure has allowed us to grow and expand our operations while maintaining a solid financial position.

During 2022, more than \$20 million in utility plant was invested to ensure continued reliability for all members while holding steady the net plant invested on a per-member basis. Those investments included upgrading and adding new lines, substations, and equipment to our electric system, which are crucial for the reliability and resiliency of our electric system. During the past year, we completed several major projects, including the construction of a new substation in Stanly County to serve new industry in the area. In addition, our team worked diligently to ensure that our operations ran smoothly and efficiently, as we remain committed to providing the highest level of service to our members.

Proactive vegetation management practices are a critical component of providing safe and reliable electric service, and in 2022, we continued to make this a priority. We have invested in a comprehensive vegetation management program to ensure that our rights-of-way are

properly cleared of trees, limbs, and obstructions that could pose a safety or power reliability hazard.

As a not-for-profit electric cooperative, we are dedicated to providing access to sustainable and affordable energy solutions for our members and communities. This is reflected in our low-carbon portfolio, with more than half of our generation coming from emission-free nuclear. As we move toward our goal of net-zero carbon emissions by 2050 and an interim goal of reducing carbon emissions by 50% from 2005 levels by 2030, cooperatives in North Carolina are collectively investing in technologies such as battery storage and microgrids across the state. Our commitment to a brighter future will drive innovation, foster economic growth, and benefit our members and the communities we serve for generations.

In closing, we at Union Power Cooperative are proud of our progress toward creating a brighter future for our members and communities we serve by continuing to provide you with safe, reliable, and affordable energy. Thank you for your continued support and trust in our cooperative.

**UnionPower**  
**Cooperative**  
A Touchstone Energy® Cooperative 



# 2022 BOARD OF DIRECTORS



**Lee Roy Kirk, Jr.**  
PRESIDENT, DISTRICT I



**Dent H. Turner**  
VICE PRESIDENT, DISTRICT I



**Tom J. Caudle**  
DISTRICT II



**David G. Hyatt**  
ASST. SECRETARY TREASURER, DISTRICT II



**David E. Smith**  
DISTRICT III



**Winnie C. Honeycutt**  
DISTRICT IV



**Sue B. Threatt**  
DISTRICT IV



**Sherise Jones**  
SECRETARY TREASURER, DISTRICT V



**Thomas E. Porter, Jr.**  
DISTRICT VI

**MISSION:** To enhance the quality of life of our members and the communities we serve by delivering on our promise to provide safe, reliable electric power and energy services with exceptional value.

**VISION:** To be the premier provider of reliable, cost-competitive electric power and energy services; recognized as a committed partner in the community, an innovator in the industry, and the employer of choice.

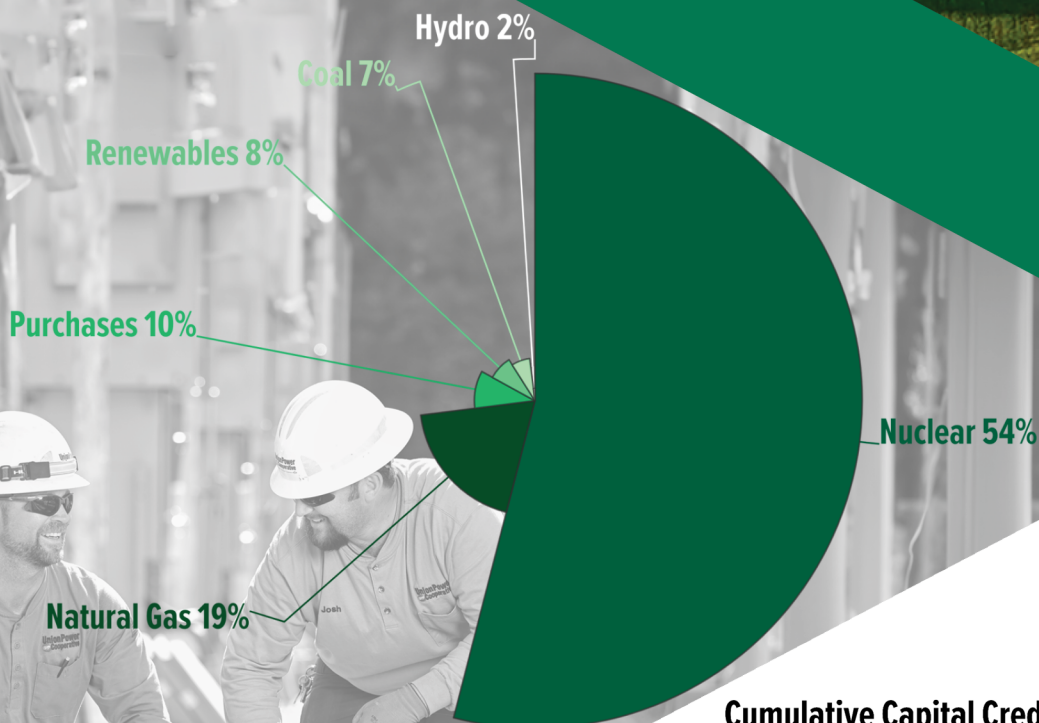


**13** Member Accounts  
per mile of line

**6,497** Miles of line

**84,726** Member Accounts  
in 5 counties

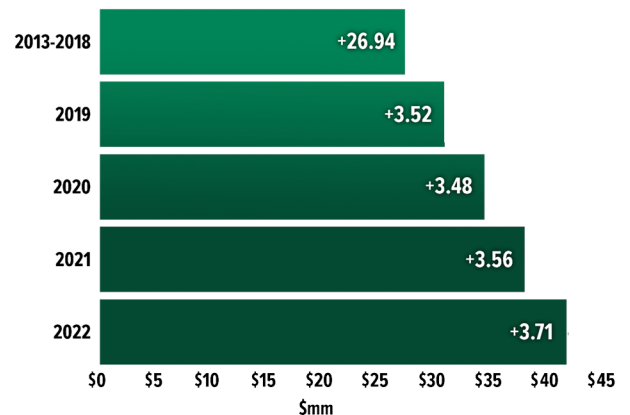
## GENERATION PORTFOLIO



**2030 TARGET**  
**50%**  
Reduction in carbon  
emissions from 2005

**2050 TARGET**  
**NET-ZERO**  
Carbon emissions

## Cumulative Capital Credit Retirements (\$41.2 million for the 10 years ended 2022)



One of the many benefits of cooperative membership is that you share in the margins of the cooperative for the period of time you receive service. Your share is assigned to you in the form of Capital Credits and is periodically retired (paid) to you. Due to our continued financial strength, Union Power Cooperative has been able to retire over \$41 million to its current and former members over the last 10 years.





# ILLUMINATING GROWTH

Union Power celebrates a significant year, having built a new substation in Stanly County to serve the new Charlotte Pipe and Foundry facility—a tangible testament to our commitment. We are not just powering homes and businesses; we are actively illuminating the growth of our community.



More Than  
**\$42k**

to support our communities  
through Bright Ideas and  
other educational programs.

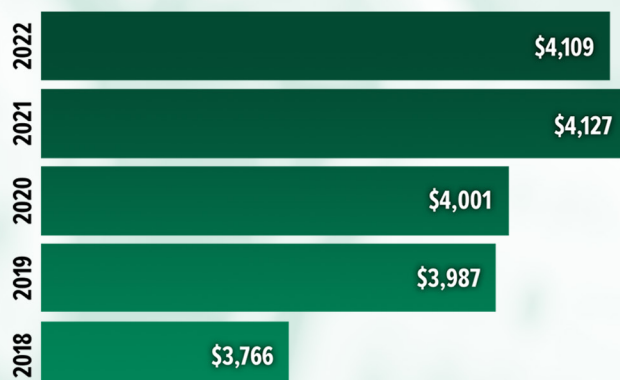


# Three-year Summary of **FINANCIAL DATA**

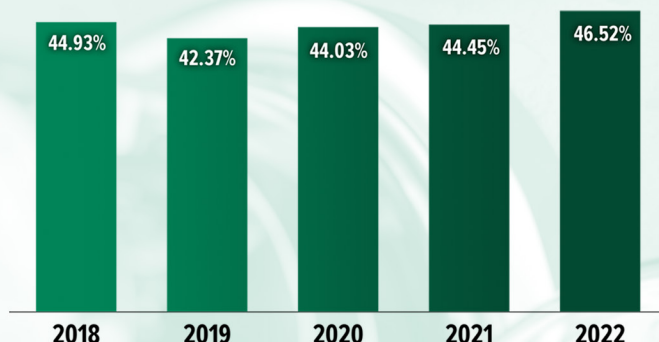
As of December 31,

<b>BALANCE SHEET</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Cash and Temporary Investments	\$ 25,868,199	\$ 43,892,326	\$ 40,911,711
Accounts/Notes Receivable - net of uncollectibles	19,705,196	19,730,165	25,641,128
Materials and Supplies	2,845,739	2,238,946	2,077,566
Other Current Assets	809,294	708,498	486,851
Investments in Associated Organizations	43,730,267	40,147,994	36,524,505
Other Assets	583,280	442,625	1,208,581
Total Current and Other Assest	\$ 93,541,976	\$ 107,160,553	\$ 106,850,342
Property, Plant and Equipment - net of depreciation	348,171,657	339,522,752	321,024,606
Total Assets	\$ 441,713,633	\$ 446,683,305	\$ 427,874,948
Patronage Capital	166,252,776	157,424,298	147,331,624
Other Equity	39,210,823	41,130,559	41,044,441
Total Equity	\$ 205,463,599	\$ 198,554,856	\$ 188,376,065
Notes Payable - including current portion	204,207,491	212,590,709	207,015,221
Accounts Payable	13,000,785	13,368,392	10,960,994
Customer Deposits	2,719,733	2,516,713	3,015,199
Other Current Liabilities	4,345,480	9,640,538	8,575,303
Other Liabilities	11,976,546	10,012,097	9,932,166
Total Liabilities	\$ 236,250,034	\$ 248,128,449	\$ 239,498,883
Total Equity and Liabilities	\$ 441,713,633	\$ 446,683,305	\$ 427,874,948

## Net Plant Investment per Member



## Equity as % of Assets

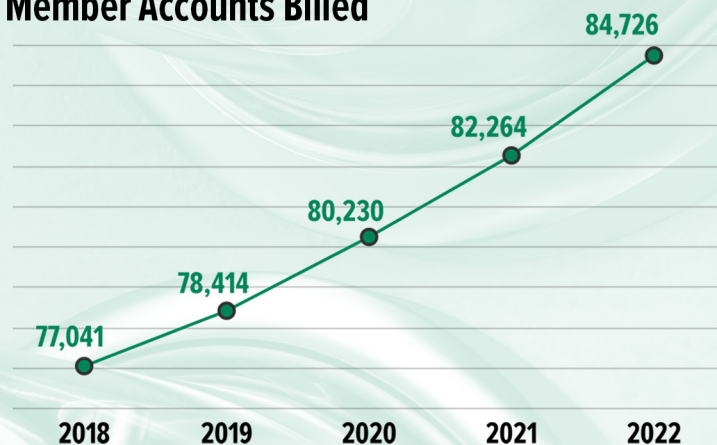




STATEMENT OF OPERATIONS	Year Ended December 31,		
	2022	2021	2020
Operating Revenues	\$ 168,843,224	\$ 162,170,700	\$ 162,563,785
Less: Cost of Purchased Power	(106,525,922)	(100,677,113)	(99,907,634)
Gross Margin	\$ 62,317,302	\$ 61,493,587	\$ 62,656,152
Operating Expense	36,670,513	31,693,090	31,192,655
Depreciation	14,116,552	13,871,792	12,686,616
Tax Expense	13,289	16,112	8,351
Interest Expense	6,352,391	6,558,371	7,052,338
Other Deductions	46,402	38,932	50,131
Total Operating Margins	\$ 5,118,155	\$ 9,315,290	\$ 11,666,061
Interest and Other Income	669,059	200,547	(491,387)
Income (Loss) from Affiliates	233,300	43,080	71,535
Capital Credits from Associated Organizations	3,906,928	4,152,764	4,087,009
Total Non-Operating Margins	\$ 4,809,287	\$ 4,396,391	\$ 3,667,157
Net Margins	\$ 9,927,441	\$ 13,711,681	\$ 15,333,218

Complete audited financial statements are available at Union Power Cooperative's headquarters. The independent audit of 2020 through 2022 financial statements were completed by the certified public accounting firm of Adams, Jenkins & Cheatham of Richmond, Virginia.

### Member Accounts Billed



### Total kWh Sold (in billions)







[union-power.com](http://union-power.com)



Union Power Cooperative  
1525 N. Rocky River Road  
Monroe, NC 28110



800-922-6840  
704-289-3145