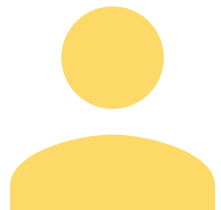


# 2023



# ANNUAL REPORT

*NEIGHBORS*

*HELPING*

*NEIGHBORS*



# 2023

Welcome to the 2023 Annual Report! This document is a collection of the cooperative's successes, challenges and so much more. In the pages that follow you will find that we are looking at 2023 through the lens of **Neighbors Helping Neighbors** not just because it's a nice sentiment, but because it is at the core of our identity.

As a member-owned cooperative, you are a fundamental part of who we are. We support neighbors in need thanks to the generosity of members rounding up their bills through Operation Round-Up; we support the community through EnergyUnited Foundation grants that are voted on by the EnergyUnited Foundation Board; and perhaps most importantly, we provide 99.9% reliable, affordable energy across our territory through the hard work of our employees. Whether it is sharing the same planet or living next door, we value the strength of **Neighbors Helping Neighbors**.

We're thankful to be a part of your neighborhood.



# 1

NEIGHBORS  
HELPING



# TABLE OF CONTENTS

CORE VALUES 3

A LETTER FROM THE CEO & OUR BOARD PRESIDENT 5

LEADERSHIP 7

SAFETY 8

ENERGY DELIVERY 9

FINANCIAL REPORT 11

SUSTAINABILITY 13

ENERGIZED ECONOMY 15

COMMUNITY 17

IT & MEMBER SUPPORT 19

WHAT MAKES A CO-OP 21

2

# WHO IS EU?

## OUR CORE VALUES

These principles have helped define who we are, not only as an energy services provider but also as a community leader. It's a tradition over eight decades strong, and one we take great pride in continuing.

## 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 make decisions affecting all aspects of our business through a collaborative effort. 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, 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

We continually strive to improve our products and services so that we all can prosper both as individuals and as a corporation.



3

NEIGHBORS  
HELPING



# OUR MISSION:

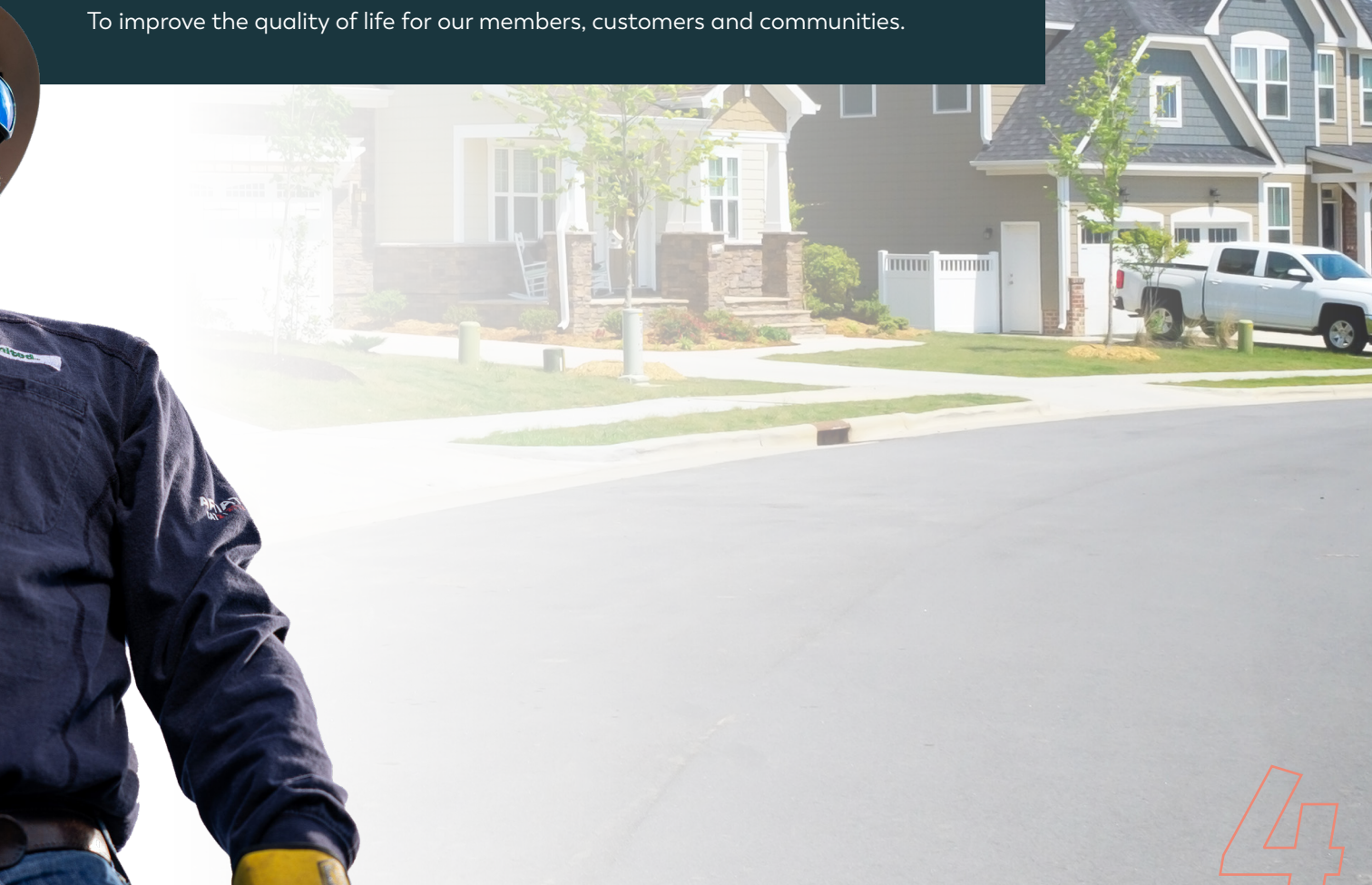
EnergyUnited is a member-owned business committed to delivering reliable energy services at competitive prices.

# OUR VISION:

To empower our people to serve our members and communities, to enhance their lives by providing safe, affordable, reliable and sustainable energy services.

# OUR PURPOSE:

To improve the quality of life for our members, customers and communities.



# FROM THE CEO & PRES



**THOMAS GOLDEN**  
CHIEF EXECUTIVE OFFICER



**DR. MAX WALSER**  
PRESIDENT

As a member-owned cooperative, our annual reports tend to look slightly different than those of larger publicly traded or Fortune 500 companies. Where corporations may lean toward answering to their shareholders, we, quite simply, answer to you. It's one of the things that sets us apart as a cooperative and is the basis of the theme for this year's report: ***Neighbors Helping Neighbors.***

In settling on this theme, we kept coming back to the same question: "What are the ways in which we, as a cooperative, act as good neighbors?" With that in mind, you'll notice that the structuring of this year's annual report asks that question with scale in mind. We're a good global neighbor by supporting large-scale initiatives to more positively impact the earth's environment; we're proud to be a regional neighbor and work with statewide initiatives to support our educators and students; and locally, we work hard to energize the homes, businesses and technologies that our members use every day. After all, a neighbor doesn't always have to mean the folks you live next door to – it can mean the community of all of us, striving for a better

tomorrow by starting with actions we make today. We had several wins last year, one of which was being named a Top Workplace by the *Charlotte Observer* – and while that speaks to our internal culture it also reflects the commitment, joy and love we put into being your local connection.

Additionally, we are proud to report that our commitment to sustainability and environmental stewardship has remained a top priority. Through our collaborative initiatives and programs, we have been able to expand our renewable energy portfolio. We are able to offer renewable energy to more members, contributing to a cleaner and more sustainable future for all. Renewable energy efforts do not contribute to any increase in cost and are only chosen when they are reliable, affordable, safe and sustainable for the cooperative and our members. You may have noticed that we rolled out a new digital publication to reflect this for 2023, our *Cooperative Responsibility and Sustainability Report*. After all, sustainability isn't just about making eco-friendly strides toward the future, it's also about what works best for the longevity and well-being of our communities.

5



# IDENT

As your local connection and energy provider, we care greatly about the communities we support. We look for ways to support our students and educators with grants and scholarships, technologies and innovations we offer, and the 99.9% reliable energy we provide to keep your Every Day Empowered. Within this year's annual report you can also expect to find several focus areas and generous financial donations that have gone to support our communities. All donations come from Operation Round-Up where our members round up their bills to help neighbors in need – thank you all for your generosity. In 2023, the EnergyUnited Foundation donated over \$900,000 to support individuals, families and nonprofit organizations. As a community-focused organization of **Neighbors Helping Neighbors**, the EnergyUnited Foundation understands the meaningful impact of every dollar awarded for community support. We rely on our Foundation board, made up of community volunteers, to steer the direction of these grants.

As we reflect on the past year, we are grateful for the continued support and trust you have placed in us as your energy provider. It is your commitment that drives us to excel and innovate, and we are proud to share with you the positive achievements we have reached together. Our dedication to innovation and technology has also been a driving force behind our success. Last year, we launched several new initiatives aimed at improving the member experience and increasing operational efficiency, which you will read about in this

year's report. These efforts have enabled us to better serve you, our members, and position EnergyUnited as a leader in the energy industry.

Looking toward the future, we are excited about the opportunities that lie ahead. As always, we remain committed to our mission of providing safe and sustainable energy to our members, and we will continue to invest in technology and infrastructure to meet your evolving needs. We want to thank each and every one of you for your continued support of EnergyUnited. It is because of you that our jobs carry as much meaning as they do and that our communities are as empowering as they are. In other words, we are thankful to be your neighbor.

Sincerely,

**THOMAS GOLDEN**  
CHIEF EXECUTIVE OFFICER



**DR. MAX WALSER**  
PRESIDENT





# LEADERSHIP

## OUR EXECUTIVE TEAM, BOARD OF DIRECTORS & DISTRICT MAP

### EXECUTIVE TEAM

**THOMAS GOLDEN**

CHIEF EXECUTIVE OFFICER

**BRETT ALKINS**

CHIEF OPERATING OFFICER

**PAM BRITT**

CHIEF HUMAN  
RESOURCES OFFICER

**ALEC NATT**

CHIEF FINANCIAL OFFICER

**RYAN GARDNER**

VICE PRESIDENT OF  
INFORMATION TECHNOLOGY

**STEVEN McCACHERN**

VICE PRESIDENT OF  
ENERGY DELIVERY

**LAQUISHA PARKS**

VICE PRESIDENT OF  
ENERGY SERVICES &  
CORPORATE COMMUNICATIONS

### BOARD OF DIRECTORS

#### DISTRICT 1



JERRY ANDERSON



EDGAR CARTNER



ANN ELLER

#### DISTRICT 2



RONNIE HARRISON  
TREASURER



ZOLEE RIGGS



DR. MAX WALSER  
PRESIDENT

#### DISTRICT 3



CRAIG BLACK

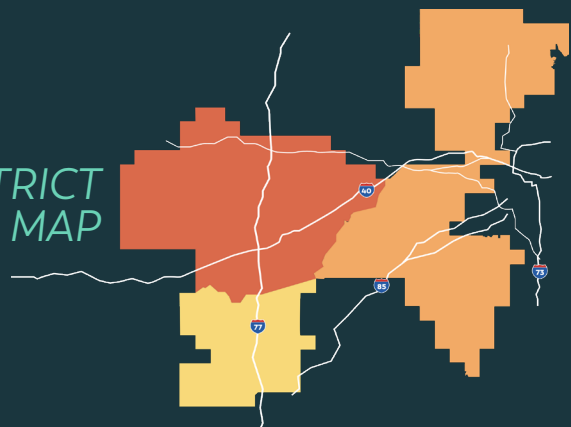


BRIAN SISSON  
VICE PRESIDENT



CHERYL WRIGHT  
SECRETARY

#### DISTRICT MAP





# SAFETY

**OUR TOP PRIORITY**

We have shaped our cooperative culture around *The EnergyUnited Way* – a collection of principles that helps us be the best that we can be. They are:

## THE ENERGYUNITED WAY

**BE SAFE  
BE SECURE  
BE PRESENT  
BE MEMBER-FOCUSED**

### SAFETY BY THE NUMBERS

In 2023, our line crew and employees:



**Worked 476,598 hours**



**Conducted 6,585 job briefings via the Federated Safe App**



**Completed over 40 safety training topics (97% of employees)**



**Conducted 896 trainings through the new EHS Insight job briefing form**



**Made 160 "Good Catches"**

The "Good Catch" program is an internal initiative encouraging the EnergyUnited team to watch for potentially hazardous situations in our communities. Last year, we reported 160 "Good Catches" within our service areas that could have otherwise resulted in an injury, equipment damage or a vehicle event. These shared learnings help spread awareness of potential dangers and the methods to avoid them.

8

# ENERGY DELIVERY

## MODERN TOWNS, INNOVATIVE COMMUNITIES

It takes a lot of work to ensure 99.9% reliability across our 19 counties. We enjoy the work and love to keep our members empowered. Our Energy Delivery team plays a critical role in the cooperative's efforts to provide safe, reliable power. Take a look below at the progress we continue to make in this mission, by the numbers.

## 99.9% RELIABILITY

140,160 7,566 11,730

Number of  
Member Connections

Miles of Primary Line

Total Miles of Line

58.5 4,164 200 7

Miles of Primary  
Line Rebuilt

Miles of Secondary Lines

Miles of  
Transmission Lines

Miles of Transmission  
Line Rebuilt

Most days, our reliability rating is 99.975% but even when extreme weather impacts our service area, our rating still remains high at 99.958%. Additionally, in 2023 we increased capacity in two substations to better serve our membership.

## 624.5 MEGAWATTS

Our grid peaked on July 28 in 2023 and reached over 624 megawatts of power. Want to learn how to avoid peak usage times? Read more on the next page.

Our distribution design team plays a critical role in ensuring our members receive reliable energy each day.



NEIGHBORS  
HELPING



# LIVERY

## OUR DEMAND RESPONSE PROGRAMS

Fortunately, we have two programs - Beat the Peak and Peak Time Perks - which will help you save money by decreasing your power usage and in turn will help the cooperative better manage costs by limiting how much power we purchase during the peak. Learn more about these programs by scanning the QR code below.



10



# FINANCIAL

## CORPORATE PROFILE BY THE NUMBERS

### CONSOLIDATED BALANCE SHEETS

ASSETS	2023		2022	
UTILITY PLANT				
Electric plant in service	\$	722,528,493	\$	685,399,291
Property and equipment – subsidiaries		468,119		468,119
Construction work in process		25,417,802		16,670,985
Subtotal		748,414,414		702,538,395
Less accumulated depreciation		280,253,029		265,964,510
<b>Total Utility Plant</b>		<b>468,161,385</b>		<b>436,573,885</b>
OTHER PROPERTY AND INVESTMENTS				
Restricted property and investments		1,548,405		1,519,896
Investments in associated organizations		31,590,767		30,090,968
Other assets		17,145,904		51,051,757
Notes receivable		1,436,000		2,042,862
<b>Total Other Property and Investments</b>		<b>51,721,076</b>		<b>84,705,483</b>
CURRENT ASSETS				
Cash and cash equivalents		<b>4,508,513</b>		<b>10,761,354</b>
Consumer accounts receivable, less allowance for doubtful accounts of \$907,626 and \$1,385,590 for 2021 and 2020, respectively		10,342,506		10,114,245
Other accounts receivable		1,320,772		460,329
Unbilled accounts receivable		15,958,161		18,016,943
Inventories and supplies		19,621,951		11,284,145
Current maturities of notes receivable		631,862		786,862
Other current assets		2,451,445		8,700,496
<b>Total Current Assets</b>		<b>54,835,210</b>		<b>60,124,347</b>
DEFERRED CHARGES		6,050,736		7,620,053
<b>TOTAL ASSETS</b>	\$	<b>580,768,407</b>	\$	<b>589,023,795</b>

### COSTS BREAKDOWN



67%	<b>COST OF POWER</b>
19%	<b>OPERATIONS &amp; MAINTENANCE</b>
9%	<b>DEPRECIATION</b>
3%	<b>MARGINS</b>
2%	<b>DEBT INTERESTS</b>

# REPORT

## EQUITIES & LIABILITIES

	2023	2022
<b>EQUITIES</b>		
Member shares	\$ 582,405	\$ 573,630
Patronage capital	17,559,721	13,480,262
Other equities	239,204,029	234,770,775
Accumulated comprehensive gain/(loss)	8,119,820	54,302,776
<b>Total Equities</b>	<b>265,465,975</b>	<b>303,127,443</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt, less current maturities	230,781,797	205,799,776
Accumulated obligation for pensions and benefits, less current amount	8,573,526	8,996,812
Other non-current accrued liabilities	4,117,846	4,031,496
<b>Total Non-Current Liabilities</b>	<b>243,473,169</b>	<b>218,828,085</b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	14,953,559	14,703,466
Accounts payable	22,375,753	29,742,768
Consumer deposits	3,412,338	3,715,716
Other current liabilities	12,773,389	2,739,199
<b>Total Current Liabilities</b>	<b>53,515,039</b>	<b>50,901,149</b>
<b>DEFERRED CREDITS</b>	<b>18,314,224</b>	<b>16,167,118</b>
<b>TOTAL EQUITIES and LIABILITIES</b>	<b>\$ 580,768,407</b>	<b>\$ 589,023,795</b>

## CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND PATRONAGE CAPITAL

	2023	2022
OPERATING REVENUE	\$ 285,789,516	\$ 280,057,051
COST OF SALES	219,277,229	220,208,330
GROSS PROFIT ON SALES	66,512,287	59,848,721
<b>OTHER EXPENSES</b>		
Advertising, marketing and sales	1,094,443	1,308,592
Product services and labor	6,127,773	5,727,735
Other G&A expenses	17,977,230	14,728,601
Depreciation and amortization	25,253,964	24,259,832
Interest	7,612,804	6,356,419
Other	436,062	266,018
<b>Total Expenses</b>	<b>58,502,276</b>	<b>52,647,197</b>
<b>NET OPERATING MARGINS</b>	<b>8,010,011</b>	<b>7,201,524</b>
<b>NONOPERATING MARGINS</b>		
Interest income	1,271,852	1,026,039
Other income	2,791,004	2,020,716
Gain (Loss) on disposal of property	101,831	(101,051)
<b>Total Nonoperating Margins</b>	<b>4,164,687</b>	<b>2,945,704</b>
<b>MARGINS Before Income Taxes</b>	<b>\$ 12,174,698</b>	<b>\$ 10,147,228</b>
<b>Provision for Income Taxes</b>		
<b>Net Margins</b>	<b>\$ 12,174,698</b>	<b>\$ 10,147,228</b>

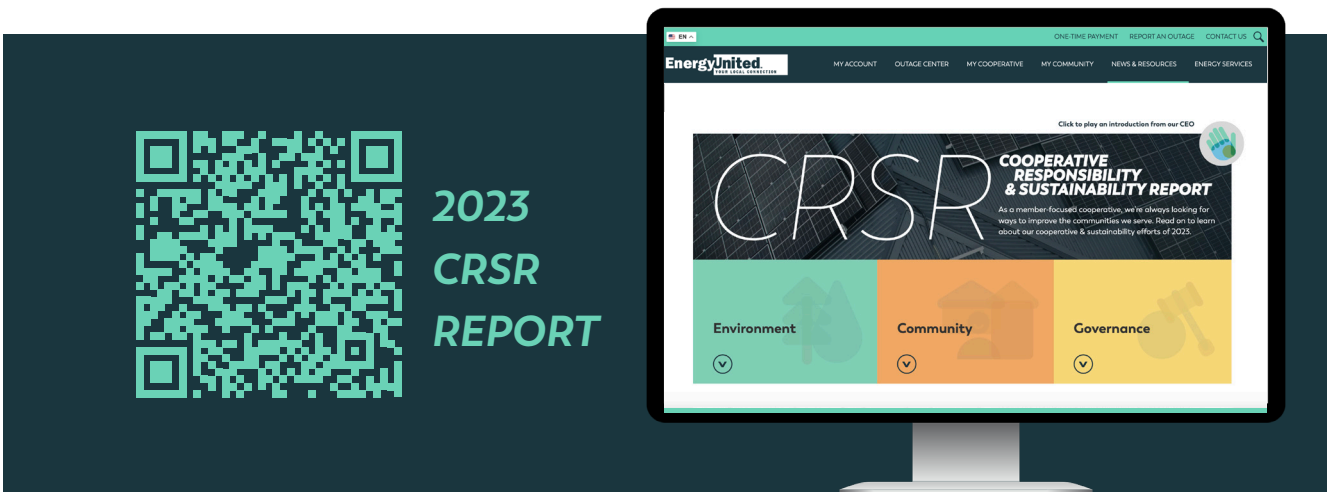


# SUSTAINAB

## GOOD GLOBAL NEIGHBORS

EnergyUnited is committed to supporting sustainable initiatives that prioritize environmental stewardship, community engagement and democratic governance. Each of these pillars is closely connected to the overall health of the communities we serve. We recently outlined these initiatives in our **Cooperative Responsibility and Sustainability Report**.

The publication is 100% digital and includes our Environmental, Governance and Community “wins” across our 19 counties. If you have not yet checked it out, please scan the QR code to learn more about all we accomplished in 2023.



## DRIVING CHANGE EVENT

EnergyUnited hosted its second annual ride-and-drive electric vehicle (EV) event, Driving Change, on Saturday, September 23, 2023, at the Career Academy and Technical School in Troutman. Driving Change was organized in conjunction with National Drive Electric Week to share educational resources for prospective EV owners and to increase awareness of the unique experiences associated with EV ownership. EV owners registered for the event and were on-site to share their thoughts and experiences. In addition to these EV owners, many industry stakeholders and vendors also attended the event.

13

NEIGHBORS  
HELPING





## ENERGY SUPPLY MIX

### NATURAL GAS – 59.8%

Natural gas is an economical generation resource that emits less carbon dioxide in comparison to coal. Additionally, natural gas is available on demand, 24/7, making it a reliable energy source for members.

### NUCLEAR – 29.7%

Nuclear power reactors do not produce any carbon emissions, which offers a huge advantage over more traditional energy sources. Plus, nuclear energy is incredibly reliable and has the ability to produce energy nonstop.

### COAL – 8%

Coal is a highly abundant and affordable energy resource, but it also has a greater environmental impact. Coal accounts for roughly a quarter of all energy-related carbon emissions, which is why we plan to phase out our use of coal within the next few years.

### RENEWABLES – 2.5%

There are many environmental and economic benefits of using renewable energy, such as generating energy that produces no greenhouse gas emissions, reducing air pollution, diversifying energy supply and minimizing dependence on imported fuels.



# ENERGIZED

**NEW GROWTH FOR OUR 19 COUNTIES**

## **DEVELOPING WITH THE HELP OF RURAL ECONOMIC DEVELOPMENT LOAN & GRANT (REDLG)**

Cooperatives like EnergyUnited use REDLG funds provided by USDA Rural Development to help finance business start-up costs, expansion projects, community development initiatives and more. This program contains two funding opportunities, known separately as the REDLoan and REDGrant programs. Under the REDGrant program, the USDA provides grants to telephone or electric cooperatives to establish a revolving loan fund to finance projects that support community development.

EnergyUnited applies for and works with companies to help facilitate their business growth. We are proud of the effort we put toward the economic growth of our communities and helped support two large initiatives in 2023.

### **NC I-85 BUSINESS PARK**

EnergyUnited requested two \$2 million USDA Rural Economic Development (RED) Loans (totaling \$4 million), which went to the Samet Corporation and the City of Lexington as two separate 10-year zero-interest loans. The funds were requested to be used to upgrade the water and sewer lines in the 763-acre site known as the Davidson County Corporate Park.

### **DAVIE INDUSTRIAL CENTER**

We also applied for and received a \$1.5 million REDLoan, which was provided to Commercial Realty Advisors as a 10-year zero-interest loan. The funds are going toward constructing a 500,000-square-foot commercial building within Davie Industrial Center, a 70-acre industrial park located in Davie County.

The industrial park complex will be located on approximately 70 acres of undeveloped land currently zoned for commercial development outside of the Mocksville town limits. The industrial park has a premiere location within Central North Carolina. It is within 30 miles of four additional interstates and is situated between the Triad and Charlotte metropolitan areas, which represent the two largest industrial markets in North Carolina, making this a prime location for business and company sites.

15

**NEIGHBORS**  
HELPING



# ECONOMY



We're thrilled to empower new business opportunities that have come to our service area such as:

## ***NC Commerce Center***

At over 700,000 square feet, this site will usher in new business and job opportunities within Mooresville.

## ***NC 40/77 Park***

This Statesville project is being constructed on behalf of NorthPoint Development. The park is expected to include five buildings totaling 3.85 million square feet of industrial space upon full buildout.

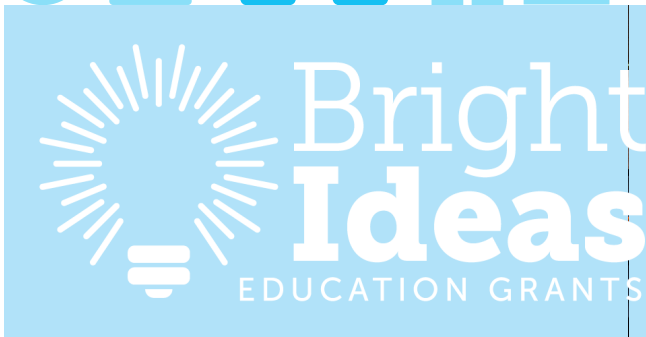
## ***Beltway 77 Project***

At over 800,000 square feet, the Beltway 77 Project in Huntersville, is ushering in a multiphase, core industrial development located in Charlotte's booming I-77 North submarket.

16

# COMMUNIT

**GREAT CORPORATE CITIZENS AND NEIGHBORS**



Last year, the co-op continued to champion the community with several programs. The **Bright Ideas** grant program funded more than 30 educators across our service area to support innovative, classroom-based projects. We were proud to grant nearly \$50,000 to local K-12 teachers.



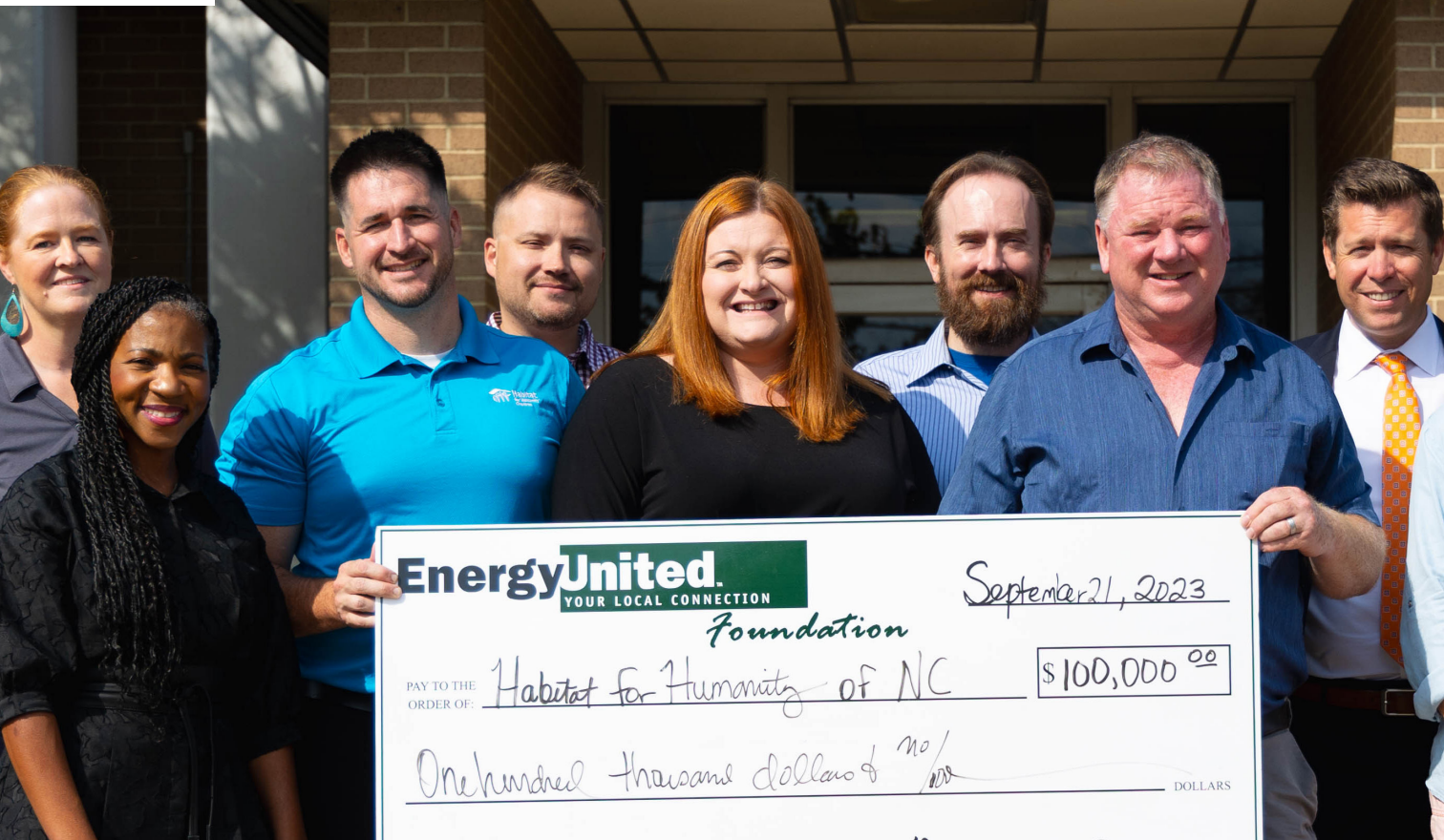
In 2023, we awarded Elleigh Williams and Yajat Govardhan with our **Empowering the Future** scholarships. Each received \$5,000 toward their education at NC State and the University of Detroit Mercy, respectively.

In addition to our Bright Ideas and Empowering the Future programs, we also selected two students to send to Washington, DC, as part of the **Electric Cooperative Youth Tour**. This opportunity allows students to learn more about the cooperative model within the context of national policy. Lastly, the cooperative was pleased to send two middle school students to **Sports Camp** at Wolfpack Women's Basketball Camp at NC State and Carolina Basketball Camp at UNC-Chapel Hill.

**17**  
**NEIGHBORS**  
**HELPING**

# Y

# 567



## NEIGHBORS HELPING

The EnergyUnited Foundation was established over 25 years ago to serve as a critical resource for the community. Whether individuals have fallen on hard times or simply need some extra support, the Foundation understands the meaningful impact of every dollar awarded to individuals, families and nonprofit organizations, because that's just what you do for your neighbors in need.

## A RECORD YEAR OF GIVING

The EnergyUnited Foundation celebrated a record year of giving in 2023 with more than \$900,000 in grants to individuals, families and nonprofit organizations. We are proud to support our communities in such a powerful way and owe it to you, our members, for generously rounding up your bills so that we can continue to support our communities.





# IT & MEMBE

## MEMBER-FOCUSED SUPPORT

As your local connection, we are much more than your energy services provider. We are a people-first organization that focuses on empowering employees to best serve our members. Over the past five years, the cooperative has experienced significant growth, expanding its workforce from 199 to 260 employees, and we've adjusted our practices to serve you even better.

## INFORMATION TECHNOLOGY

In 2023, EnergyUnited partnered with vendors to responsibly dispose of end-of-life equipment and electronic waste. We also promoted the reuse and refurbishment of IT equipment whenever possible to extend product life cycle and reduce waste.

Last year, the IT department achieved the following:

- ***Worked to reduce paper with electronic initiatives***
- ***Had zero cyber-security incidents in 2023***
- ***Maintained an "excellent" score by a third-party cyber-security monitoring company***

The IT department also worked closely with Member Support to implement a cloud-based phone system to deliver the following benefits to EnergyUnited members:

- ***Helped identify training needs***
- ***Identified recurring member issues***
- ***Predicted staffing needs***
- ***Maximized Member Support's service level***
- ***Projected call volume insights***





# MEMBER SUPPORT

## MEMBER SUPPORT

The Member Support team is always here to support you. From questions about billing and payments to inquiries about grant opportunities, we're here to help. Take a look at these stats:

31

**Average seconds to answer member phone calls**  
Benchmark answer within 45 seconds.

94%

**Customer Satisfaction Score**

At the end of every phone call, EnergyUnited members are asked about their overall experience with the cooperative. Responses are used to calculate customer satisfaction scores, which help identify opportunities for improvement.

149,982

**Total Calls Answered**



20

# WHAT MAK

*THE CO-OP DIFFERENCE*

## MEMBERS FIRST

The history of our electric cooperative is vast and fits within a larger national history. Our cooperative is part of a network of 26 member-owned and democratically governed entities across the state and though our histories may differ somewhat, our roots all run back to the same goal: empower communities across historically rural areas.

By the mid-1930's nine out of 10 rural homes across America were still without electric service, and the unavailability of power kept many of these local economies solely dependent on agriculture. For many years, larger energy companies passed over these smaller neighborhoods until finally, President Roosevelt signed the Rural Electrification Act, which provided funding for rural citizens to form electric cooperatives. Said differently: co-op members hold the power.

It is still that core aspect of our identity that drives our progress forward. As a matter of fact, none of our accomplishments would be possible without the very spark that began our existence: you.

Since its inception, our cooperative has evolved to include a larger service area, more members and resources in place to make sure we always keep your best interests at heart.



# 21

NEIGHBORS  
*HELPING*

# ES A CO-OP



## MAC MEMBERS

The Member Advisory Committee (MAC) is a group of members who collectively act as a sounding board to help shape service processes and cooperative programs. In addition, MAC members are briefed regularly on EnergyUnited activities and strategic initiatives across three locations: Statesville, Lexington and Cornelius/Lake Norman.

## OUR GENEROUS MEMBERS

The EnergyUnited Foundation is funded entirely by our Operation Round-Up program, which encourages members to round up their bills to the nearest dollar each month. This small change can add up to some incredibly profound differences. Thank you to all of you enrolled in Operation Round-Up, and for those of you who would like to enroll, please call us at 1-800-522-3793 or sign up on My EnergyHub.

## THE POWER OF YOU

Because we are owned and governed by you, we do things a little differently. For starters, any major decision is presented and voted on by our member board of directors. Secondly, our co-op holds elections to vote on new board members when multiple nominations are received. Members vote in these elections. As a matter of fact, every action every day, including the creation of this annual report, reflects the care and commitment we have for serving our members. From all of us to you, we're thankful to be a part of your neighborhood.

22



# EVERY DAY EMPOWERED

As your neighborhood cooperative, we take great care to provide you not just with reliable energy, but also to act as a community pillar. We value the opportunity to serve you and to contribute to the neighborhoods we all live in.

**ENERGYUNITED.COM**

**1-800-522-3793**

**567 MOCKSVILLE HIGHWAY, STATESVILLE, NC 28625**

**EnergyUnited**

**@EnergyUnitedEMC**

**EnergyUnited Electric Cooperative**

**@EnergyUnitedEMC**

