

Improving Reliability

REMOVED
25,000+
hazard trees



CLEARED
1,300+ miles of
right-of-way



REPLACED
3,000+ poles

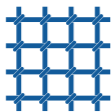


INSTALLED

2,500+
transformers



4,200
animal guards



325 miles
of wire



BOARD APPROVED
\$12.5 MILLION
IN CAPITAL CREDITS RETURNED
TO MEMBER-OWNERS



Taking Care of You

Exceeded \$1 million
contribution mark by
The Power of Change



Awarded \$20,000
in scholarships



\$45,000 donated
by REC's employees



400+ Community
Events



Energy-Saving
Tools introduced
in MyREC SmartHub



Broadband
Supported for
Rural Communities



REC has installed 250 miles of
fiber to support rural communities

280,000 Member
Interactions



through calls, emails, online
chats, and in person visits

(continued)

Later this year, REC will roll out even more options that will allow member-owners to work directly with REC to purchase and install an EV charger, among other new initiatives.

All the while, REC remains a reliable partner for communities that want to attract new businesses and jobs. Our economic development team works closely with state and county officials to ensure they have the support they need from REC, facilitating projects such as a warehouse and distribution center project in Caroline County, a manufacturing facility in Hanover County, and a data center in Culpeper County.

In the IT world, your Cooperative continues to build out its fiber network to enhance communications and deploy powerful technology to make it easier for members to do business with REC and manage their energy use. Cooperation among cooperatives is a core value of REC, which is why we're reaching out to share expertise with other electric cooperatives across the country. Through its BrilliT™ subsidiary, REC is bringing cybersecurity, data analytics and other information technology solutions to others.

As we look ahead, your Cooperative remains healthy and strong. Employees continue to do a phenomenal job, and we are supporting our communities by enabling broadband connectivity and fostering economic growth.

Together with you, our member-owners, the future remains very bright.



Christopher G. Shipe
Board Chairman



John D. Hewa
President & CEO

2022 FINANCIALS

BALANCE SHEETS

	2022 (IN THOUSANDS)	2021 (IN THOUSANDS)
(CONSOLIDATED)		
Assets		
Total Utility Plant	\$ 1,314,435	\$ 1,253,554
Accumulated Provision for Depreciation	(524,204)	(495,178)
Net Utility Plant	790,231	758,376
Investments	156,002	154,732
Current Assets	165,976	120,705
Deferred Charges	10,377	9,346
Total Assets	\$ 1,122,586	\$ 1,043,159
Equity and Liabilities		
Total Equity	\$ 434,775	\$ 436,853
Long-Term Debt	586,854	518,221
Current Liabilities	86,935	68,088
Other Liabilities	14,022	19,997
Total Equities and Liabilities	\$ 1,122,586	\$ 1,043,159

STATEMENT OF OPERATIONS & PATRONAGE CAPITAL

	2022 (IN THOUSANDS)	2021 (IN THOUSANDS)
(CONSOLIDATED)		
Operating Revenue	\$ 479,216	\$ 408,665
Operating Expenses		
Cost of Power/Cost of Goods Sold	312,561	247,785
Transmission	805	822
Distribution – Operations	17,139	15,943
Distribution – Maintenance	42,415	35,373
Consumer Accounts	15,429	12,338
Consumer Service	2,964	3,364
Administrative and General	25,799	23,925
Total Operating Expenses	417,112	339,550
Other Expenses		
Depreciation	44,783	42,933
Interest on Long-term Debt	18,044	17,373
Other	1,502	976
Total Other Expenses	64,329	61,282
Total Expenses	481,441	400,832
Operating Margins	(2,225)	7,833
Non-Operating Margins		
Patronage Capital Assigned	5,166	7,555
Interest Income	1,723	461
Other	1,142	1,626
Total Non-Operating Margins	8,031	9,642
Net Margins	\$ 5,806	\$ 17,475
Times Interest Earned Ratio	1.3	2.0
Debt Service Coverage Ratio	1.8	2.3
Patronage Capital - Beginning of Year	\$ 438,404	\$ 427,172
Net Margins	5,806	17,475
Net Retired Patronage Capital	(8,955)	(6,243)
Patronage Capital - End of Year	\$ 435,255	\$ 438,404



**RAPPAHANNOCK
ELECTRIC COOPERATIVE**

RELIABLE • AFFORDABLE • FOCUSED ON YOU



2022 ANNUAL REPORT

2022: Member Care Shines Bright

While 2022 brought its share of change and challenges, Rappahannock Electric Cooperative (REC) kept its focus on caring for member-owners.

Together with you, we stared down historic Winter Storm Frida, inflation, supply-chain issues, rising energy costs and the resulting pressure on families and businesses.

Beyond Frida, powerful storms battered Virginia through the spring, summer and fall. With each event, REC focused on being responsive to its members, leaning on its dedicated employees and welcoming the critical support provided by other electric cooperatives.

REC was able to buffer its members from some of the larger increases in energy prices seen at many utilities across the country. That's because REC purchases most of its electricity from its primary wholesale power provider, Old Dominion Electric Cooperative, which works to keep prices as low as possible with a diverse portfolio of resources.

Also last year, REC was able to return \$12.5 million to member-owners through the cash-back Capital Credits program. That money represents a refund of excess contributions of capital to REC.

REC continues to work diligently to strengthen the electric grid and help our communities prosper. Teams work year-round to prevent outages by installing upgraded equipment and using cutting-edge technology like data from satellites and drone inspections to keep trees from falling on power lines.

And we are expanding options and solutions we bring to our member-owners. Our Vividly Brighter™ suite of programs and services can help you save money and use energy efficiently. Offerings include special rates for electric vehicle charging, solar options for members who want to install panels on their property or purchase solar power from REC, and affordable energy home upgrades that enable members to reduce their energy use and lower their electric bills.