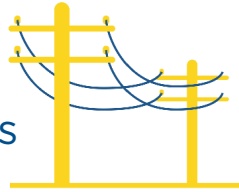




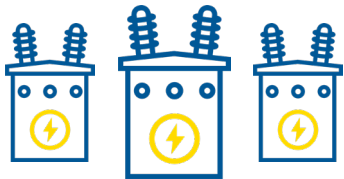
Supported 1,500+ members who have **SOLAR PANELS**

REMOVED
27,000
hazard trees



CLEARED
1,500+ miles of
RIGHT-OF-WAY

Installed or replaced
2,750+ POLES,
2,450+ TRANSFORMERS
AND 128 MILES
of new line while
keeping **SAFETY**
the top priority



Supported
BROADBAND EXPANSION 
by entering into
partnerships in 15 counties

BOARD APPROVED \$10 MILLION

IN CAPITAL CREDITS RETURNED TO MEMBER-OWNERS



RANKED 6TH IN CUSTOMER CARE
AND 16TH IN OVERALL SATISFACTION
out of 143 utilities nationwide in the
J.D. Power Residential Survey

Delivered
\$11.4 MILLION in federal
Covid relief funds
to member-owners



Awarded 
\$20,000 IN
SCHOLARSHIPS
to support students'
educational pursuits

 **\$223,000 TO**
93 CHARITIES
and nonprofits through
employee and member
contributions

Contributed **\$350,000+**
in donations and
sponsorships to
hundreds of
community groups 

Boosted
CYBERSECURITY,
to protect REC's networks,
the power grid and
member's personal
information

We have established partnerships in 15 counties with fiber leasing agreements and pole attachments to help support communities in their pursuit of broadband. With our partners, we are working to **bridge the rural digital divide**.

In the wake of increasing threats, REC also **bolstered our cybersecurity efforts**. We are committed to protecting you and the networks that serve you.

As many of us worked to navigate hybrid work schedules, we were also reminded how critical our need is for reliable electricity. Our Vegetation Management team and their contractors **removed 27,000 hazard trees** in 2021 alone. They also **cleared more than 1,500 miles of right-of-way**. Along with our line crews who upgraded equipment and targeted outage hotspots, they were laser-focused on improving reliability for you.

In other corners of REC, employees worked to support you — in our lobbies as we reopened our offices, over the phone, through social media, email, live chat and other outlets. Whatever channel you prefer, we are dedicated to providing information, solutions and resources to **power your life**.

Each year, your Board of Directors and leadership team work to honor REC's commitment to you, our members-owners. In 2021, every decision we made was focused on members first. As a democratically operated cooperative, we answer only to you, our member-owners.

And together with you, #WeAreREC.



Christopher G. Shipe
Board Chairman

John D. Hewa
President & CEO

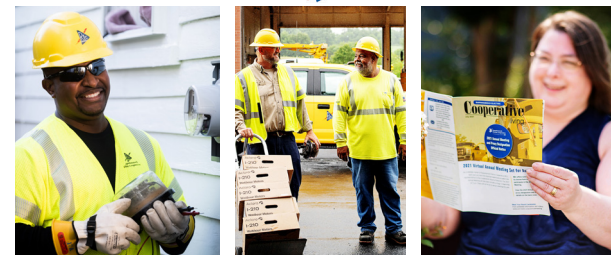
2021 FINANCIALS

Balance Sheets

	2021 (in thousands)	2020 (in thousands)
Assets		
Total Utility Plant	\$ 1,253,554	\$ 1,197,969
Accumulated Provision for Depreciation	(495,178)	(467,962)
Net Utility Plant	758,376	730,007
Investments	155,159	148,412
Current Assets	120,278	126,425
Deferred Charges	9,346	19,255
Total Assets	\$ 1,043,159	\$ 1,024,099
Equity and Liabilities		
Total Equity	\$ 436,853	\$ 426,654
Long-Term Debt	518,221	510,962
Current Liabilities	68,088	72,806
Other Liabilities	19,997	13,677
Total Equities and Liabilities	\$ 1,043,159	\$ 1,024,099

Statement of Operations & Patronage Capital

	2021 (in thousands)	2020 (in thousands)
Operating Revenue	\$ 408,665	\$ 416,376
Operating Expenses		
Cost of Power/Cost of Goods Sold	247,785	266,170
Transmission	822	821
Distribution – Operations	15,943	13,716
Distribution – Maintenance	35,373	30,481
Consumer Accounts	12,338	13,976
Consumer Service	3,364	2,889
Administrative and General	23,925	18,774
Total Operating Expenses	339,550	346,827
Other Expenses		
Depreciation	42,933	41,143
Interest on Long-term Debt	17,373	17,818
Other	976	1,083
Total Other Expenses	61,282	60,044
Total Expenses	400,832	406,871
Operating Margins	7,833	9,505
Non-operating Margins		
Patronage Capital Assigned	7,555	5,190
Interest Income	461	1,193
Other	1,626	1,893
Total Non-Operating Margins	9,642	8,276
Net Margins	\$ 17,475	\$ 17,781
Times Interest Earned Ratio	2.0	2.0
Debt Service Coverage Ratio	2.3	2.3
Patronage Capital - Beginning of Year	\$ 427,172	\$ 420,097
Net Margins	17,475	17,781
Net Retired Patronage Capital	(6,243)	(10,706)
Patronage Capital - End of Year	\$ 438,404	\$ 427,172



2021: Member-Focused First

2021 was a transition year. You learned to navigate the second phase of a pandemic. You watched out for your friends and neighbors. And in many cases, you persevered to come back even stronger.

Here at Rappahannock Electric Cooperative (REC), we did the same.

As the cost for nearly everything rose, REC employees worked hard year-round to keep electric bills as low as possible. We remain focused on making key reliability investments in the grid, while also working to **keep the cost of electricity affordable for all**. At REC, we recognize that every dollar matters.

As a member-focused Co-op, we returned **more than \$10 million back to member-owners** in the form of Capital Credits. Your credit represents a portion of your ownership share in the Cooperative.

As hardships due to the health pandemic persisted, we worked with nearly 20,000 members to create **long-term payment plans**. When financial aid became available, our teams quickly notified eligible members.

REC employees also doubled down on looking out for you, our member-owners. We **ranked sixth for customer care and 16th overall nationwide** among 134 ranked utilities in the J.D. Power Residential Survey.

How did we do it? Each employee — in the field and in the office — asks the same simple question each morning: What can we do together to help our members? Last year, that help was delivered in many ways.

You asked for us to solve the issue around the lack of broadband internet access in our service area. Our team worked year-round to build new miles of our fiber backbone network, which helps us improve communication and boost reliability. This network will also be used by several internet service providers to expand their networks through **broadband partnerships** with REC.

2021 ANNUAL REPORT