



*Behind Every Meter
is a Co-op Member!*



2021
Annual Report

2021 *Annual Report*

Message from the President & CEO.....	5
100,000 Meters Celebrated.....	6
Seeking Cleaner, More Affordable Power.....	8
Measuring Reliability.....	10
Back in the Community	12
Board of Directors.....	14

2021 *Financial Report*

Year in Review	15
Comparative Balance Sheet	16
Statement of Operations & Patronage Capital	17
Financials at a Glance.....	18

Behind Every Meter is a Co-op Member!



On the cover: United Power's
100,000th meter powers the home
of John and Hailey Takacs
of Commerce City.



Mark A. Gabriel
President & Chief
Executive Officer

To Our Valued Members,

Reflecting on the many successes of our cooperative in 2021, it is important to recognize the women and men of United Power who excelled in the face of some dramatic challenges. These great accomplishments are reflected in this year's annual report.

As public health orders changed throughout the year, much of our workforce continued to balance providing reliable power and meeting our members' needs with keeping the public and our staff safe. When it made sense, some co-op employees worked remotely, while others continued to report daily to keep the lights on for our members. Every decision we made centered around how to best protect the public and our employees, while still providing exceptional service to our members.

We reached a significant milestone in 2021 crossing the 100,000-meter threshold. Reaching that meter count places United Power among the largest cooperatives in the nation. The efforts to keep pace with record growth while continuing to enhance the service we bring our members is at the heart of our efforts. Adding an electric vehicle charging station in Keenesburg as well as an emergency generator to provide essential services in case of a storm in Gilpin County and augmenting our wildfire mitigation plan were just some of the ways we continued to expand our services and offerings to make a positive difference for our members.

The most notable action taken in 2021 was our decision to formally request a departure from our current wholesale power supplier. This decision was not made lightly. Our Board and staff spent many months researching possible scenarios, negotiating with our current supplier, and considering numerous options. Determining what would be in the best interest of our members was what drove our decision to leave. We felt that we could procure more economical and cleaner power for our members, and we want the ability to incorporate more locally produced power into our system – keeping dollars in our communities. Wholesale power remains our single largest expense and reducing this cost means we can provide both lower rates and enhanced services to our members.

Everything we accomplished and every initiative we started in 2021 was driven by our goal to provide you, our members, with the most reliable, cleanest, and most economically priced power possible. I am proud of the hard work of our employees and their continued dedication to providing you with the best service possible.

Sincerely,

Mark A. Gabriel
President & Chief Executive Officer



Few cities are experiencing the growth surge that began in the Denver metropolitan area several years ago. While much of the service territory is still rural, United Power serves some of the fastest-growing communities in the country as more people are relocating here. In June 2021, United Power became one of just a handful of electric cooperatives nationwide to surpass 100,000 meters, highlighting a period of sustained growth.

*Behind every meter is a member...
...home, farm, or business that we are proud to power.*

Becoming a member of a cooperative is like joining a family. When United Power surpassed 100,000 meters, we commemorated the achievement the way only a co-op can – by rolling out the red carpet and celebrating the member family who pushed United Power over the mark.

John and Hailey Takacs purchased their first family home in Commerce City's fast-growing Reunion community. The cooperative surprised the family with a welcome party featuring members of our Board of Directors, President & CEO Mark A. Gabriel, Commerce City Mayor Ben Huseman, and several cooperative employees. The Takacs family was welcomed into the co-op with a gift package containing home essentials, such as a variety of tools and home equipment, including an electric lawn mower, and a replica United Power bucket truck for their young son.

"It's incredibly exciting to be United Power's 100,000th meter," said Hailey Takacs. "We're just really happy to own our new home in Reunion and we look forward to being United Power members."

After recognizing John and Hailey Takacs as the cooperative's 100,000th meter family, United Power held a celebration for all members and hosted an open house at our Carbon Valley Service Center. Several hundred members attended the event, which featured a variety of family-friendly activities, educational opportunities, and prize giveaways.

United Power packed our newest facility with interactive exhibits to give members a hands-on experience with everything from electrical safety to electric vehicle ownership. The cooperative's well-known safety demonstration team kicked things off, and a Touch-A-Truck display let members get up close to heavy equipment and bucket trucks. An electric vehicle demonstration and test-drive opportunity were also featured.

The open house was the first in-person member event hosted by the cooperative since the COVID-19 pandemic began in March 2020. Connecting with our members sets cooperatives apart from other utilities, and the opportunity to gather again safely was a welcome sight.

As electricity powers more of our lives, our members are using energy in new, more efficient ways. United Power offers programs and rebates to help members control their energy usage, understand what drives their demand, and live more energy efficiently.

Our energy efficiency programs start with the Power Portal, a free online energy monitoring resource that allows members to track daily usage in 15-minute intervals to learn what behaviors impact usage and demand. Armed with this information, members can begin making small changes toward monthly savings. The cooperative also offers an energy calculator to give members a greater understanding of how household devices drive demand. Other tools to gauge a home's energy efficiency are available on our website.

United Power offers a host of member-exclusive energy efficiency rebates, including water heaters, heat pumps, and common heavy-use home appliances. In the summer of 2021, we offered members a limited-time rebate on outdoor electric equipment, like lawn mowers, leaf blowers, and trimmers. More than 700 members applied for outdoor equipment rebates over the program's three-month window.



There are now several thousand United Power members driving electric vehicles, and thousands more regularly traverse the cooperative's territory along the transportation corridors that connect our communities with the metro area. To meet the needs of this emerging transition in transportation, United Power is establishing a network of charging stations located at strategic points throughout the service territory, and providing educational resources for members interested in electric vehicles.

In May, we energized our second charging station at the Market Street Mart in Keenesburg, filling a gap in available charging options for rural electric vehicle owners and drivers traveling between Brighton and Fort Morgan. It was partially funded by a grant from the Colorado Energy Office's Charge Ahead Colorado program. Our first charging station was installed at the Coal Creek Canyon office in 2019. Both charging stations are available for public use through the ChargePoint network.





Electricity began as a commodity that allowed countries to develop and communities to expand, thus adding value to our lives. Today, we are using electricity to power our lives in new ways – from remote work to electric vehicles – and we are using it more efficiently. As consumers learn more about the greater global impact of energy consumption and how to take more control of their own usage, they are also demanding electric utilities make economic and environmentally responsible decisions. United Power has recognized the growing demand to transition to smart and responsible energy generation for years, deploying nearly 50 megawatts of local renewable energy generation since 2012.

*Behind every meter is a member...
...who deserves cleaner, more affordable power.*

United Power has not been able to bring on additional renewable projects due to limitations in our wholesale power supplier's "all-requirements" contract, which limits the cooperative to obtaining just 5% of our energy from alternative energy projects. The contract also creates obstacles to deploying additional storage facilities and expanding existing ones.

For several years, United Power has attempted to negotiate a partial-requirements contract that would allow us to explore additional renewable options for members or source them from other providers. When negotiations stalled this year, United Power announced our intent to exit the contract effective January 2024. Seeking a new source for wholesale power ensures United Power is better positioned for future success in the evolving energy industry, allows the cooperative to offer our members more competitive rates, and provides an opportunity to deploy more local renewable energy projects for members.



United Power understands that members count on reliable power. Delivering the most reliable power possible is one of the measures of success at the cooperative each year. Since instituting a new data-driven maintenance plan in 2017, United Power's reliability has significantly improved, as have overall outage numbers.

*Behind every meter is a member...
...who needs reliable electricity to power their lives.*

This maintenance practice focuses on analyzing data collected across thousands of miles of line to identify low performing segments. Maintenance projects can then be scheduled in targeted areas to improve performance. The cooperative leads other utilities in the deployment of automated field devices which can record data, isolate outages, and even allow system operators to resolve outages remotely without having to dispatch a crew. The ability to make system adjustments without dispatching crews limits outage time and improves both reliability and resiliency.

The national average for outage duration among electric utilities in the United States has consistently hovered around 120 minutes per meter. This means the average electric consumer can expect approximately two hours of outage time at their home over the course of a year. United Power's updated maintenance plan has been attributed to reducing annual outage times per United Power meter to under 68 minutes in 2021.

System maintenance and strengthening is a year-round effort at United Power. Regardless of what causes an outage, United Power is continually researching how it can implement new practices to decrease the duration and impact to members. System reliability is one of United Power's core goals, from system redundancies that allow the restoration of power from a secondary location, to deploying automated field devices that allow system operators to remotely clear faults and restore power.

United Power members endured several strong storms in 2021. Xylia dropped as much as two feet of snow in just over 24 hours on parts of northern Colorado, and windstorms brought hurricane-force winds and left thousands without power for extended periods of time.

United Power is proud to say our system held up remarkably well, resulting in few member outages as strong storms passed through the service territory. Where outages did occur, they were quickly contained and resolved. The resiliency of the cooperative's system is a testament to our ongoing commitment to preventing outages before they happen.





United Power serves a diverse set of rural, suburban, and mountain communities. Each community's power needs are slightly different, but mountain communities like Gilpin County are unique. They are located at the ends of the cooperative's lines, making traditional backup plans for outage situations difficult due to the isolation and rugged terrain. An extended outage can impact residents and create several challenges for county officials and school administrators, especially during winter.

As part of United Power's commitment to improving system reliability for members, the cooperative worked with the Gilpin County Office of Emergency Management to craft an innovative backup plan. The solution was a 625 kW diesel generator placed on the Gilpin County School District campus. The generator is capable of providing enough energy to power the entire campus plus the adjoining Eagles' Nest Early Learning Center. The generator can also provide abbreviated services for longer periods, allowing Emergency Management to activate the site as an emergency warming center during a prolonged power outage.

The generator operates on Tier 4 Diesel, which is ultra-clean, low-sulfur fuel, and incorporates advanced emission reduction technologies exceeding state requirements for emission levels. Requiring minimal infrastructure upgrades, the generator is a practical solution for both United Power and the county.



United Power has long awaited the return of local in-person fairs, festivals, parades, and other events, and we were there to make them possible as restrictions eased throughout the year.

The cooperative returned as the title sponsor of the 2021 Adams County Fair, which was held in person for the first time since 2019. We powered the return of community festivals like Miners Day in Carbon Valley, the 4th Fest in Coal Creek Canyon, and Trappers Days in Fort Lupton. We partnered with local communities to sponsor outdoor movie nights and chamber luncheons. Our lineworkers visited local schools to participate in a little educational fun, like giving the Northeast Elementary principal a lift onto the school roof.

*Behind every meter is a member...
...and a neighbor, because we live here, too.*

Rudolph the Red-Nosed Bucket Truck was also able to make an appearance at community holiday parades to help power the return of holiday festivities in local communities.

When events still could not be hosted in person, the cooperative participated virtually, like the fall career fair hosted by the Adams County Education Consortium. In late 2021, United Power was able to open applications for the return of cooperative summer youth activities like the Washington, D.C., Youth Tour in June 2022.





Seeking to mitigate the economic effects of the pandemic on our members, United Power established the Co-op Cares Fund. Funded with unclaimed capital credits, it was designed to assist members affected by the COVID-19 pandemic.

Co-op Cares started with an allocation of \$300,000 through 2020. As pandemic concerns continued for many members, the Board of Directors approved an additional \$250,000 for 2021. In two years, the Co-op Cares Fund provided direct assistance to 3,004 members who were financially impacted by the COVID-19 pandemic.



When the pandemic took hold in March 2020, United Power had to adapt quickly to changing circumstances while still providing the same quality of service. When offices closed at the beginning of the pandemic, the cooperative transitioned to remote work for most of our office staff and put additional safety precautions in place for our field crews. Thankfully, the shift was smooth and seamless because much of the necessary groundwork for a strong and resilient technology infrastructure had already been established.

Throughout 2021, the cooperative continued to operate a hybrid working model that allowed employees to work from home when necessary and return to the office when safe, without sacrificing quality of service. As local officials relaxed pandemic restrictions and offices re-opened to the public, United Power hosted COVID-19 vaccination clinics and brought in an on-site testing center for employees and their families.

Lingering pandemic concerns prevented the cooperative from safely gathering with members for the 2021 Annual Meeting, and United Power hosted our second consecutive virtual annual meeting. Members in attendance could listen over the phone or watch the meeting livestream on our website. Record participation demonstrated how effective the virtual format has been in allowing the cooperative to share and celebrate our accomplishments over the past year with members.

2021 Board of Directors



Ursula J. Morgan
Chairman
West District



Beth Martin
Vice-Chairman
East District



Tim Erickson
Secretary
East District



Keith Alquist
Treasurer
South District



Tamra Waltemath
Assistant Sec./Treas.
Mountain District



Ginny Buczek
West District



Brad Case
South District



Brian A. McCormick
West District



Dave Rose
South District



James Vigesaa
East District



Stephen Whiteside
Mountain District

Year In Review



\$5.7 MILLION
Capital Credits returned to
United Power members in 2021.



7,582
Total net-metered
member accounts.



ZERO
Lost time injuries in 2021.



102,305
Cooperative meters served
across six Colorado counties.



4,601
Meters connected in 2021.



180
Dedicated full-time co-op
employees here to serve you.

2021 Financial Report

Comparative Balance Sheet

	2021	2020
ASSETS		
Utility Plant		
Electric plant	\$482,720,881	\$450,148,417
Less: depreciation	(109,229,619)	(102,775,429)
Depreciated value	<u>373,491,262</u>	<u>347,372,988</u>
Investments & Other Property	147,101,490	141,316,322
Current Assets		
Cash & cash equivalents	6,869,156	2,847,043
Receivables	7,400,126	7,742,230
Materials	10,113,567	9,311,563
Prepayments & other current assets	25,086,138	22,525,934
Total	<u>49,468,987</u>	<u>42,426,770</u>
Deferred Debits	26,235,641	18,734,689
Total Assets	\$596,297,380	\$549,850,769

LIABILITIES & CAPITAL

Capital Equities		
Patronage capital	\$238,250,702	\$227,730,492
Other capital	(1,531,399)	(3,253,490)
Total	<u>236,719,303</u>	<u>224,477,002</u>
Long-Term Debt	265,271,649	247,678,533
Current Liabilities		
Current maturities of long-term debt	9,155,161	9,056,404
Notes payable	38,700,000	28,800,000
Accounts payable	21,252,569	19,607,257
Accrued expenses	10,380,023	7,176,107
Accrued taxes	7,617,445	6,961,144
Customer deposits	2,145,476	2,258,927
Total	<u>89,250,674</u>	<u>73,859,839</u>
Deferred Credits	5,055,754	3,835,395
Total Liabilities & Capital	\$596,297,380	\$549,850,769

TOTAL REVENUE

(THOUSANDS)



2017	\$227,405
2018	\$255,683
2019	\$285,599
2020	\$300,271
2021	\$303,309

TOTAL ASSETS

(THOUSANDS)



2017	\$420,078
2018	\$453,329
2019	\$510,498
2020	\$549,851
2021	\$596,297

ENERGY SALES - KWH

(THOUSANDS)



2017	2,182,274
2018	2,447,189
2019	2,739,378
2020	2,871,674
2021	2,902,460

Statement of Operations & Patronage Capital

OPERATING REVENUE	2021	2020
Operating revenue	\$303,309,436	\$300,270,654
OPERATING EXPENSES		
Cost of purchased power	221,902,232	221,538,646
Operating expenses - distribution	7,929,963	7,075,720
Maintenance of distribution plant	7,966,695	6,933,596
Consumer accounting & collection expenses	4,464,218	5,687,976
Other customer expenses	2,703,521	2,550,780
Administrative & general expense	15,430,096	13,109,609
Directors fees & expense	421,647	338,382
Depreciation	14,317,068	13,910,688
Property taxes	7,222,789	6,986,676
Other expenses	438,437	428,103
Total Operating Expenses	282,796,666	278,560,176
Operating Margins Before Interest Expense	20,512,770	21,710,478
Interest Expense		
Interest on long-term debt	10,683,044	9,485,873
Interest charged to construction (credit)	(564,901)	-
Other interest expense	458,173	429,522
Total Interest Expense	10,576,316	9,915,395
Operating Margins Before Capital Credits	9,936,454	11,795,083
G&T & other capital credits	8,299,911	7,525,628
Operating Margins	18,236,365	19,320,711
Interest revenue	184,426	198,891
Allowance for funds used during construction (equity)	56,869	-
Other revenue (expense)	345,349	104,504
Nonoperating Margin	586,644	303,395
Net Margins	\$18,823,009	\$19,624,106
PATRONAGE CAPITAL & OTHER EQUITY		
	2021	2020
Net Margins	\$18,823,009	\$19,624,106
Patronage Capital & Other Equities, Beginning of Year	224,477,002	210,250,619
Subtotal	243,300,011	229,874,725
Retirement of Patronage Capital & Other Contributions (net)	(6,580,708)	(5,397,723)
Patronage Capital & Other Equities, End of Year	\$236,719,303	\$224,477,002

TOTAL PLANT INVESTMENT

(THOUSANDS)



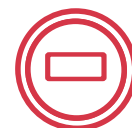
2017	\$323,901
2018	\$347,985
2019	\$399,341
2020	\$450,148
2021	\$482,721

MILES OF LINE



2017	5,979
2018	5,941
2019	6,205
2020	6,384
2021	6,551

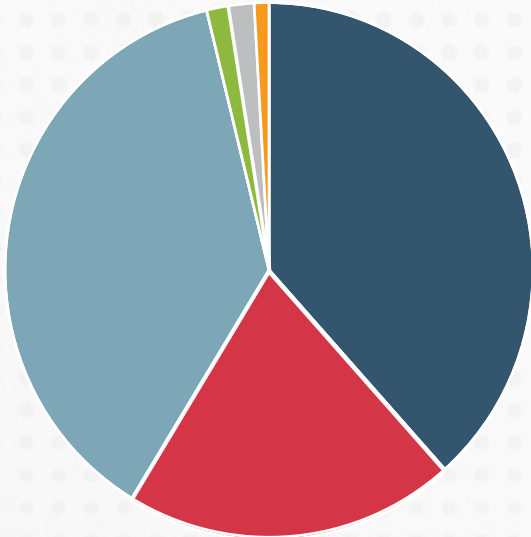
NUMBER OF METERS SERVED



2017	83,323
2018	87,528
2019	93,527
2020	97,704
2021	102,305

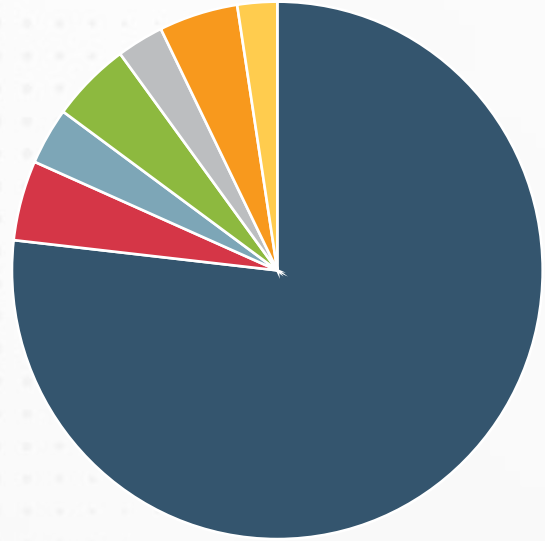
Financials at a Glance

SOURCES OF INCOME



Residential	\$123,215,602	39.5%
Small Commercial	\$64,930,146	20.8%
Large Commercial	\$111,352,151	35.7%
Other Operating Revenues	\$4,341,312	1.4%
Tri-State Allocations (non-cash)	\$5,059,500	1.6%
Other Allocations & Income (non-cash)	\$3,240,411	1.0%

STATEMENT OF EXPENSES



Cost of Power	\$221,902,232	75.6%
Depreciation (non-cash)	\$14,317,068	4.9%
Interest	\$10,576,316	3.6%
Operations & Maintenance	\$15,896,658	5.4%
Consumer Accounts & Info	\$7,167,739	2.4%
Admin, Gen'l & Other	\$16,290,180	4.9%
Taxes	\$7,222,789	2.5%

Your Energy Dollar

For every dollar you spend on electricity, three-quarters goes toward the cost of wholesale power.

73¢

Cost of Wholesale Power

27¢

Depreciation (5¢), Interest (3¢), Operating Expense (13¢), Taxes (3¢), Operating Margins (3¢)



UNITED POWER

Your Touchstone Energy® Cooperative 

WWW.UNITEDPOWER.COM

