

TO OUR MEMBERS

A year of volatility in international energy markets caused sharp increases in electric rates, but NHEC was able to maintain the lowest power supply rate of the four New Hampshire electric utilities in 2022. We finished the year with a significant decrease in the Co-op Power rate and are optimistic that rates will continue to moderate in 2023.

NH Broadband, NHEC’s wholly-owned internet subsidiary, connected 738 customers in 2022. NH Broadband now serves more than 1,400 NHEC members in six towns. That number will increase substantially in 2023 as we use the proceeds of a \$50 million state grant to build fiber-optic networks to eventually serve more than 23,000 members in 73 towns.

Mother Nature made her presence felt in 2022, spinning up one damaging storm after another.

Winter Storm Elliott, which struck over the Christmas holiday, caused more than \$5 million in damage alone. Storm recovery costs were up this year, but NHEC is able to recover much of those costs from the Federal Emergency Management Agency (FEMA). We salute our dedicated NHEC lineworkers and the support teams who work so hard to get power restored!



Jeffrey Morrill  
Board Chair



Alyssa Clemens Roberts  
President/CEO

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MISSION STATEMENT

Our mission is to provide our members the ability to access affordable, reliable electric and broadband service options that support and simplify their lives.

2022 IN REVIEW

MARCH



NHEC and NH Broadband announce plans to provide high-speed fiber internet to 17,000 NHEC members in 30 Grafton County towns.

APRIL



NHEC commissions the new Glen substation. It's one of the first of 26 to be replaced over the next 12 years as part of a major system reliability project.

JUNE



NHEC hosts line crews from a dozen utilities at the Northeast Public Power Association Lineworkers Rodeo.

JULY



NHEC retires Capital Credits for the second consecutive year and returns \$4 million in equity to members.

NH Broadband and NHEC celebrate the start of high-speed fiber internet service to the Town of Acworth. It's the 5th NHEC community to be connected.

SEPTEMBER



NHEC welcomes the arrival of new President/CEO Alyssa Clemens Roberts.

NOVEMBER

NHEC is awarded a \$50 million grant from the New Hampshire Department of Business and Economic Affairs to bring high-speed internet to more than 23,000 members in 73 communities.



Three major storms hit the state in consecutive weeks, causing extensive damage to the NHEC distribution system. The year ends with Winter Storm Elliott, a Christmas storm that knocks out power to more than 30,000 members.

DECEMBER



NHEC Foundation awards more than \$260,000 in grants to 42 local nonprofits and community groups; tops \$4 million total support since 2006.



2022 Annual Report to Members

216  
EMPLOYEES



5,920  
MILES OF LINE



42,727  
TRANSFORMERS



117,000  
POLES

45  
SUBSTATIONS

502 NEW  
SERVICES

TOTAL  
METERED  
SERVICES:  
88,150



\$4,024,157  
CAPITAL CREDITS  
RETURNED TO MEMBERS



798,454,779  
KWH SOLD



\$84,820,661  
COST OF POWER

# 2022 TREASURER'S REPORT

New Hampshire Electric Cooperative (NHEC) ended the year with a positive net margin of \$6.1 million from our electric distribution operations and \$4.7 million on a consolidated basis. The distribution revenue NHEC earned was greater than budgeted by \$1.4 million, or 2.0%, primarily due to increased cooling needs during the warmer than average summer of 2022. NHEC's distribution expenses last year were higher than budgeted by approximately \$1.4 million, or 2.2%. This increase was primarily due to costs NHEC incurred responding to Winter Storm Elliott, which was recently declared a major disaster in four counties, giving NHEC an opportunity to recoup some of the storm's expenses.

NHEC saw a 0.5% decrease in residential kilowatt-hours (kWh) consumption as compared to 2021, while non-residential kWh increased by 1.1%. Overall, net kWh sales were 0.1% greater in 2022 than in 2021. NHEC continued to see growth in new construction, resulting in the addition of 502 new services during the year.

NHEC works hard to keep our operating costs down, while providing good service to our members. We continue to invest in right-of-way clearing and tree trimming. Over the past three years we have cleared and maintained over 2,000 miles of line and invested more than \$30 million to improve service reliability to our members.

In late 2022, NHEC was awarded a \$50 million grant by the New Hampshire Department of Business and Economic Affairs (BEA) to expand NHEC's fiber broadband service to more than 23,000 homes and businesses. We began building in Grafton County as the first phase of our BEA grant, which marks the largest expansion in NHEC's efforts to make high-speed internet available to unserved and underserved parts of the state. The consolidated balance sheet reflects these initial broadband investments made by NHEC and their impact on our overall net margin for 2022.

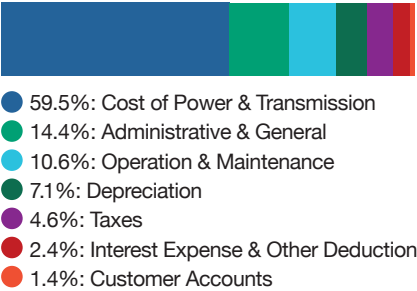
Overall, NHEC's strong financial health ensures that we have the capital necessary to maintain and improve the electric distribution system and broadband networks our members rely on every day.

Respectfully submitted,  
Edward French  
*Treasurer*

# CONSOLIDATED BALANCE SHEETS

	2022 (000s)	2021 (000s)
<b>Assets</b>		
Current Assets		
Cash and Cash Equivalents	\$ 1,944	\$ 110
Receivables from Members - Energy Sales	17,288	14,461
Other Receivables	10,853	7,984
Material & Supplies Inventory	5,551	4,091
Prepayment and Other Current Assets	2,490	2,873
<b>Total Current Assets</b>	<b>38,125</b>	<b>29,519</b>
Utility Plant	443,748	415,367
less: Depreciation	(185,458)	(174,760)
<b>Net Utility Plant</b>	<b>258,290</b>	<b>240,607</b>
Other assets		
Investments in Assoc. Organizations	11,074	11,530
Non-utility property	3,692	102
Postretirement Benefits Other Than Pensions	-	1,277
Intangible assets	923	1,375
<b>Total Other Assets</b>	<b>15,689</b>	<b>14,284</b>
Deferred Debits	14,202	9,066
<b>Total Assets</b>	<b>\$ 326,306</b>	<b>\$ 293,476</b>
<b>Liabilities &amp; Equity</b>		
Current Liabilities		
Line of Credit	\$ 8,136	\$ 11,765
Accounts Payable	23,322	16,442
Accrued Liabilities	7,510	6,513
Member Deposits	1,935	1,785
Current Portion of Long-term Lease Obligations	381	-
Current Portion of Long-term Liabilities	6,022	6,478
<b>Total Current Liabilities</b>	<b>47,306</b>	<b>42,983</b>
Long-term Obligations	111,539	89,862
Deferred Credits	24,657	20,234
Member Equity	142,804	140,397
<b>Total Liabilities &amp; Equity</b>	<b>\$ 326,306</b>	<b>\$ 293,476</b>

Expenses by Category - 2022



Operating Revenue - 2022

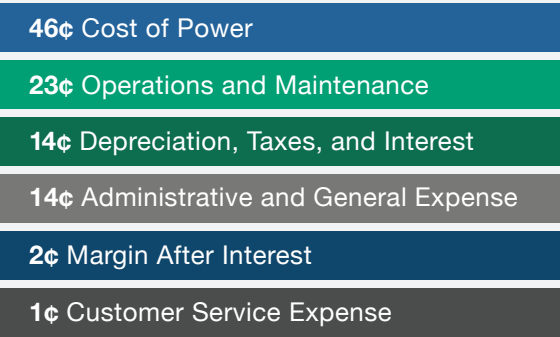


# CONSOLIDATED STATEMENTS OF OPERATIONS

	2022 (000s)	2021 (000s)
<b>Revenue</b>		
Operating Revenues	\$ 185,930	\$ 155,000
<b>Expenses</b>		
Cost of Power & Transmission	108,101	80,793
Operation & Maintenance	19,267	18,728
Consumer Accounts	2,518	2,002
Administrative & General	26,127	28,013
Depreciation	12,901	11,896
Interest Expense & Other Deduction	4,394	3,475
Taxes	8,433	7,988
<b>Total Operating Expenses</b>	<b>181,741</b>	<b>152,895</b>
<b>Operating Margins</b>	<b>4,189</b>	<b>2,105</b>
<b>Non-operating Margins:</b>		
Interest Income & Patronage	143	35
Other	324	346
<b>Total Non-operating Margins</b>	<b>467</b>	<b>381</b>
<b>Net Margins</b>	<b>\$ 4,656</b>	<b>\$ 2,486</b>



## WHERE DOES YOUR DOLLAR GO?



The annual audit of New Hampshire Electric Cooperative and Subsidiary's records was performed by McNair, McLemore, Middlebrooks & Co, LLC, 389 Mulberry St, Macon, GA 31201, and reviewed by the Audit Committee of the Board of Directors of New Hampshire Electric Cooperative. Copies of the complete report are available by mail upon request, or online at [www.nhec.com](http://www.nhec.com).