

We continue to work hard for you, our members

Last year, faced with the challenges of record increases for electricity generation, we were forced to raise rates an unprecedented six times.

In addition, supply chain disruptions and commodity price increases continued to impact our industry. Despite these challenges, I am extremely proud of how our employees responded by delivering excellent customer service and maintaining the cooperative's financial and operational strength.



Clay Electric also saw extensive growth in 2022, adding 6,000 accounts billed from December 2021 to December 2022. We now serve more than 190,000 meters, but our core value of providing you — our members — with reliable and affordable electric service while providing excellent customer service has not changed.

In 1990, we eclipsed the 100,000 members mark, making the 200,000 mark a short leap away. We were proactive in preparing our workforce and infrastructure for growth and are able to accommodate the additional load.

You may have seen crews working on our infrastructure the past year. Significant work projects were completed in at least six substations to improve reliability and/or increase capacity.

Unfortunately, just like the weather, we cannot control or prepare for everything. Rising natural gas prices forced us to raise our rates numerous times in 2022. We work hard to maintain our costs and provide affordable electricity, but large increases in the cost of fuel to generate power made the rate change unavoidable. The good news is we began lowering our rates as soon as we were able to do so. We lowered them in December, January and April.

Our cost for 1,000 kWh of power remains among the lowest in the state, and as soon as the prices to generate power go down, so will the cost of our power.

Remember, we're a not-for-profit cooperative, which means we provide service to you at cost. Many of you receive a Capital Credits refund credit or check every year. These refunds are a reflection of our not-for-profit status, and certainly a benefit of being served by a cooperative.

Speaking of member benefits, 2022 was our 11th year of providing you with the Co-op Connections Card program. As a co-op, we believe our commitment to you goes beyond power distribution. Our Connections Card program is a moneysaving tool we are proud to offer you.

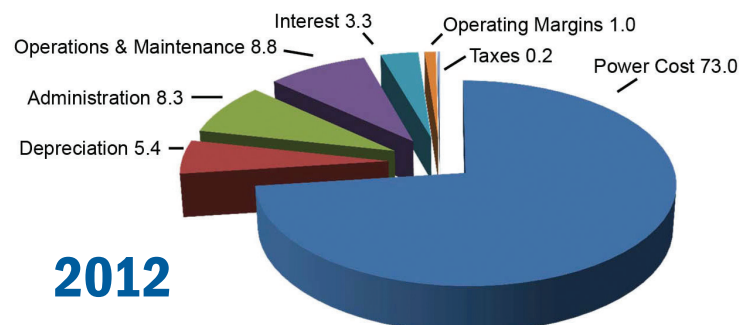
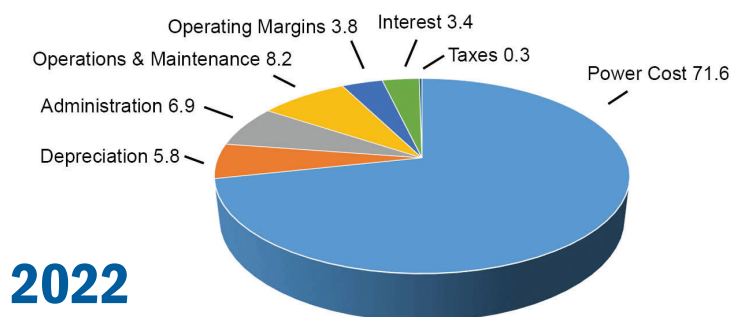
We also continue to help hundreds of members a year with energy efficiency and conservation information. We offer free home energy surveys to all members to assist you with recommendations that can help you get the most out of your energy dollars. To help you make energy-efficient upgrades to your home, we provide rebates.

Beyond electricity, part of our mission is to improve the quality of life of our members and their communities. Operation Round Up, a program that generates and collects charitable donations that are used to benefit organizations in the co-op's service area, launched in October 2016. At the end of 2022, a little more than \$5.6 million had been distributed in the 14 counties we serve. Almost \$1 million was donated last year alone. Employees also put their own time and money toward many important causes.

These initiatives are important and allow us to continue to provide you the most affordable electricity, while also strengthening our communities through programs and services. We understand we cannot thrive unless you thrive, so we do all we can to make sure our community is strong.

We're honored you're a member of our cooperative and we have been able to power homes in our area since 1937. We look forward to your continued engagement in the co-op and to having the privilege to serve you today, tomorrow and beyond.

How each dollar was spent



REVENUE AND EXPENSE STATEMENTS

Years Ending December 31	2022	2021
REVENUES		
Energy Sales.....	\$ 457,148,839	\$ 356,434,376
Other Electric Revenues.....	11,200,275	9,747,405
Total Operating Revenues	\$ 468,349,114	\$ 366,181,781
EXPENSES		
Purchased Power.....	\$ 333,421,835	\$ 249,630,524
Transmission and Generation.....	1,908,961	1,361,430
Operations.....	17,434,022	18,518,780
Maintenance.....	20,888,983	22,476,156
Customer Accounting.....	10,027,209	11,140,590
Customer Service & Information.....	2,747,436	3,211,052
Administrative & General.....	19,233,182	18,285,583
Depreciation.....	27,141,996	26,127,770
Taxes.....	1,219,933	1,129,203
Interest.....	16,117,226	15,628,587
Other Deductions	390,452	90,954
Total Expenses.....	\$ 450,531,235	\$ 367,600,629
MARGINS		
Operating Margins.....	\$ 17,817,879	\$ (1,418,848)
Non-Operating Margins.....	598,546	672,222
Capital Credits from Associated Organizations.....	8,380,005	7,209,965
Total Margins.....	\$ 26,796,430	\$ 6,463,339

BALANCE SHEETS

As of December 31	2022	2021
ASSETS		
Cash/Cash Equivalents.....	\$ 264,205	\$ 276,598
Investments.....	124,076,758	117,270,643
Accounts Receivable.....	24,255,115	19,331,223
Inventory.....	22,858,534	15,198,855
Other Current & Accrued Assets.....	31,832,408	21,109,781
Prepayments.....	617,159	227,604
Deferred Debits.....	52,191,820	46,979,682
Net Utility Plant.....	606,004,040	581,573,162
Total Assets.....	\$862,100,039	\$801,967,548
LIABILITIES		
Notes Payable	\$ 364,826,213	\$ 343,827,974
Accounts Payable.....	55,704,608	32,124,835
Customer Deposits.....	12,931,835	13,001,705
Other Current & Accrued Liabilities.....	11,414,432	10,710,996
Deferred Credits & Miscellaneous Reserves	8,685,585	9,692,432
Total Liabilities.....	\$ 453,562,673	\$ 409,357,942
MEMBER EQUITIES		
Membership Fees.....	\$ 792,235	\$ 778,985
Accumulated Other Comprehensive Income.....	12,579,710	13,910,527
Capital Credits.....	395,166,421	377,920,094
Total Equities.....	\$ 408,538,366	\$ 392,609,606
Total Liabilities and Equities.....	\$ 862,101,039	\$ 801,967,548

YEAR-END STATISTICS

	2012	2022	2021
Average Number of Members			
Receiving Service Per Month.....	165,058	187,066	183,532
Total kWh Purchased by Cooperative Members.....	3,020,151,664	3,514,762,545	3,365,979,389
Average Monthly Residential kWh Usage.....	1,141	1,195	1,175
Total kWh Purchased by Cooperative.....	3,153,344,104	3,666,124,402	3,518,980,014
Cost of Power Purchased by Cooperative.....	246,089,811	335,330,795	249,630,524
Average Cost per kWh Purchased by Cooperative.....	.0780	.0915	0.0709
Clay Peak Demand in Kilowatts (kW).....	819,455	889,004	845,206
Month of Clay Peak Demand.....	February	December	February