

The cover features a minimalist design with large, abstract geometric shapes in olive green and dark blue-grey. The title is centered at the top in a serif font, with 'ANNUAL' and '2023' in olive green and 'REPORT' in dark blue-grey. The company name is at the bottom left, following the angle of a dark blue-grey shape.

ANNUAL REPORT 2023

SOMERSET RURAL ELECTRIC
COOPERATIVE, INC.

SOMERSET RURAL ELECTRIC COOPERATIVE ANNUAL MEETING SCHEDULE - MAY 25, 2023

5:00 p.m. - Registration

6:00 p.m. - Call to Order - C. Ben Waltermire, Board President

6:05 p.m. - Reading of Minutes & Financial Report

6:15 p.m. - Manager's Report - Ruston Ogburn, General Manager

6:35 p.m. - Report of Nominating Committee / Voting Period / Collection of Ballot Boxes

6:50 p.m. - Speaker - Stephen M. Brame - PREA/Allegheny President & CEO

7:10 p.m. - Unfinished Business / New Business

7:15 p.m. - Report of Tellers

7:20 p.m. - Adjournment & Awarding of Door Prizes

SPEAKER: STEPHEN M. BRAME PREA/ALLEGHENY PRESIDENT & CEO



Stephen M. Brame embarked on a career of service out of college, dedicating himself to serving Pennsylvania communities through thoughtful public policy. Born in central Pennsylvania and a lifelong resident of the Commonwealth, he believes in cooperation as a fundamental tenet of building robust communities.

Brame joined the Pennsylvania Rural Electric Association (PREA) and Allegheny Electric Cooperative, Inc. (Allegheny) in 2001. As the organizations' president & CEO, he builds on a career of rural advocacy. During his tenure as PREA/Allegheny vice president — public affairs & member services, Brame touched on the very issues that impact the quality of life in rural areas of the country. He has helped PREA, Allegheny and their member cooperatives gain recognition as leaders in energy efficiency, innovation, and conservation.

Through his work with the General Assembly, cooperative efficiency and demand-side management efforts are now recognized under Pennsylvania's landmark Alternative Energy Portfolio Standards Act, saving Pennsylvania electric cooperatives more than \$100 million over the life of the act. He has also been instrumental in amending escheats legislation to keep unclaimed property in cooperative communities for the benefit of members — instead of having it revert to the state.

Before joining PREA/Allegheny, Brame served as a senior staffer for former Pennsylvania Lt. Gov. and Gov. Mark S. Schweiker. His responsibilities in the lieutenant governor's office included legislative priorities, General Assembly relations and communications strategy. Brame continues to serve rural Pennsylvania as treasurer on the board of directors of the Center for Rural Pennsylvania and as a member of the Pennsylvania Rural Development Council.

INTRODUCTION

ABOUT THE COOPERATIVE

Who We Are

Energized in 1940, we are a member-owned rural electric cooperative serving 13,889 members in four Pennsylvania counties - Bedford, Fayette, Somerset and Westmoreland and one county in Maryland - Garrett.

The cooperative maintains 1,831 miles of energized electric lines. Somerset Rural Electric employs 44 full-time employees and is governed by a board of nine directors elected by the membership.

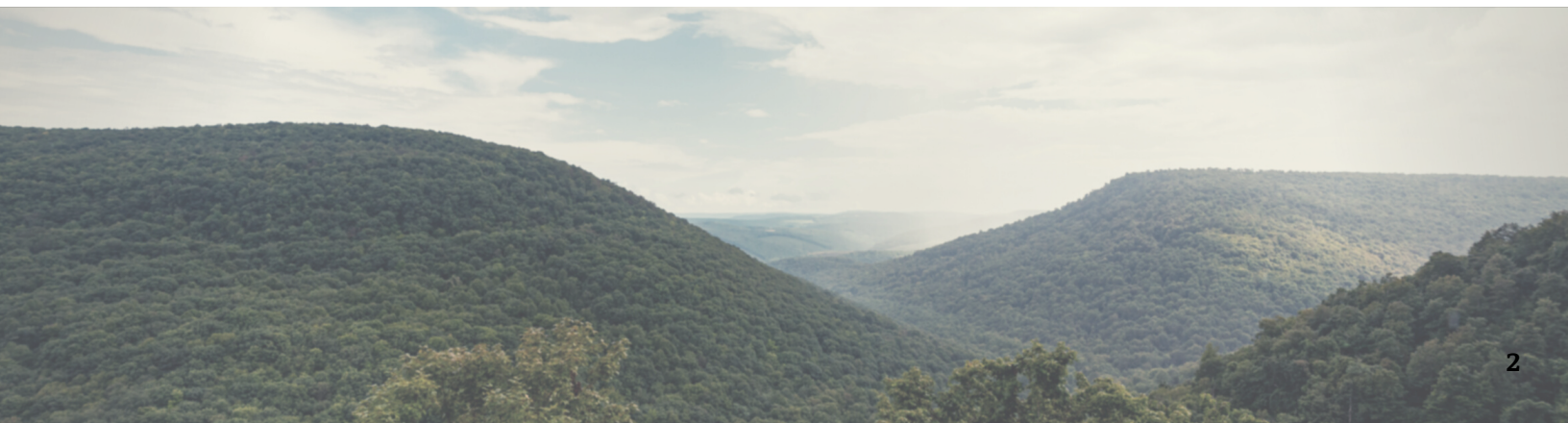
Our Mission

The mission of Somerset Rural Electric Cooperative, Inc. is to provide a safe and reliable electric service and seek ways to improve the quality of life of its members and their neighbors.

This applies to all levels of service - residential, agricultural, recreational, commercial and industrial.

The cooperative will be compassionate in dealing with issues of comfort and personal concern, but recognizes an obligation to make wise business decisions.

Somerset Rural Electric Cooperative supports community and economic development activities that benefit the entire area.



OUR DIRECTORS & EMPLOYEES

Directors

District 1 - Floyd Lehman - Conemaugh, Ogle, Paint & Shade Township

District 2 - Russ Hillegas - Allegheny, Juniata, Quemahoning & Stonycreek Township

District 3 - Lowell Friedline - Donegal, Jefferson, Jenner & Lincoln Township

District 4 - Jerry Engle - Brothersvalley & Somerset Township

District 5 - C. Ben Waltermire - Middlecreek & Milford Township

District 6 - P. Timothy Vought - Black, Elk Lick & Summit Township

District 7 - Carl A. Hay Jr. - Fairhope, Greenville, Larimer, Northampton & Southampton Township

District 8 - Joshua C. Sechler - Upper & Lower Turkeyfoot, Saltlick, Springfield & Stewart Township

District 9 - Harvey W. Reckner Jr. - Addison, Henry Clay Township & Garrett Co. Maryland

C. Ben Waltermire - *President*, Jerry Engle - *Vice President*, Lowell Friedline - *Secretary/Treasurer*

Employees

Ruston Ogburn, General Manager

Jessi Ditzler, Executive Assistant

Financial and Office Services

Jonathan Hillegas, Director of Finance

Kathy Armstrong, Bookkeeper

Wendy Durica, Work Order Clerk

Kristi Burkett, Billing Clerk

Daniele Anderson, Office Assistant

Jessica Maurer, Office Assistant

Kara Specht, Office Assistant

Mindy Huzsek, Office Assistant

Communications/Member Services

Emily Baer, Director of Marketing & Member Services

Information Technology

Gary Gindlesperger, IT Manager

HVAC Department

Tony Retassie, HVAC Manager

Ken Walker, HVAC Technician

Don Cober, HVAC Technician

Steve Tataleba, HVAC Technician

Brandon Riddle, HVAC Technician

Metering Department

Phil Stern, Manager of Metering

Roger Shroyer, Metering Technician

Jeff Brant, Metering Technician

Engineering & Operations

Doug Glessner, Manager of Outside Operations

Tawnya Zorn, Operations Assistant

John Hochard, Staking Engineer

Andrew Phillippi, Staking Engineer

Zack Pritts, Staking Engineer

Dave Dudak, Storeroom Attendant

Roy Bittner, Chief Lineman

Phil Martz Jr., Chief Lineman

Brian Marker, Chief Lineman

Glenn Gross, Chief Lineman

Bryan Schrock, Chief Lineman

Adam Barnes, Lineman

Tanner Smith, Lineman

Sam Shober, Lineman

Casey Pyle, Lineman

Alex Mazanowski, Lineman

Garrett Thomas, Lineman

Carter Engleka, Lineman

Phil Read, Right of Way Crew Chief

Andy Nicklow, Right of Way Crew

Rick Yoder, Right of Way Crew

Brock Crawford, Right of Way Crew

Drew Boyer, Right of Way Crew

Tim St. Clair, Custodian

2023 DIRECTOR NOMINEES



RUSS HILLEGAS - DISTRICT 2

Russ Hillegas currently resides in Allegheny Township and is the current board director representing District 2. He and his wife Jeanne, have two sons, Brandon and Kyle. Russ is a member of Trinity United Church of Christ in Berlin. He is also a board member on the Berlin Area Historical Society, member of the Somerset Masonic Lodge 358, and a member of the Berlin Sons of the American Legion and the New Baltimore Sportsmen's Club. In his three-year role as a director, he has earned the Credentialed Cooperative Director certificate. Russ is retired from the Pennsylvania Turnpike Commission, where he was a foreman and facility manager. He also operates a beef cattle farm in Allegheny Township and enjoys assisting his son at Hillegas Sugar Camp, hunting, golfing, traveling, and spending time with his four grandchildren.



LOWELL L. FRIEDLINE - DISTRICT 3

Lowell L. Friedline currently represents District 3 on the cooperative's board of directors. He and his wife, Carna, have a son, Jonathan, and daughter Jillynn Bastian. They have six grandchildren. He is a partner with Jonathan in Walnutdale Farms and a partner with his daughter-in-law, Mary Lynch Friedline, in Walnutdale Maple Farms LLC. Lowell serves as secretary/treasurer of the cooperative's board of directors and is a director and past chairman of the board of Allegheny Electric Cooperative, Inc. He has earned the Credentialed Cooperative Director certificate, the Board Leadership Certificate and the Director Gold Certificate. In 2004, he received the coveted Eminent Service Award from the Pennsylvania Rural Electric Association. Lowell completed the Public Affairs Leadership Program at Penn State University and currently serves as secretary of the board of the Allied Milk Producers Cooperative, Inc. He is a member of the Somerset County Maple Producers Association and the Somerset County Farm Bureau. He enjoys singing with the Flight 93 Memorial Chorus and Roof Garden Chorus, where he served as past president. A member of Zion Hoffman Lutheran Church, Lowell has served in many church capacities, including assisting minister. He is a member of the Reconciliation Ministry Team of the Allegheny Synod of the Evangelical Lutheran Church in America.



JASON HUSTON - DISTRICT 7

Jason Huston is a director nominee from District 7 residing in Northampton Township. He graduated from Meyersdale Area High School and received an associate degree in architectural design at Thaddeus Stevens College in Lancaster. Jason has been self-employed as a residential contractor for 27 years. He and his wife Julie, have four children- Keegan, Cooper, Ellery and Maverick. He is a member of Berlin Brethren Church, the Pennsylvania Builders Association and the Berlin Fire Department. He also volunteers on the Somerset Vo-Tech Occupational Advisory Committee for carpentry. Jason enjoys spending time at Cider Valley Farm, the family's farm, where he raises grass-fed cattle and pigs.



STEVE SCHRADER - DISTRICT 7

Steve Schrader is a director nominee from District 7, who lives in the Village of Pocahontas, Greenville Township. He graduated from Meyersdale Area High School and attended the welding program at Somerset County Vo-Tech School. Steve is currently a Greenville Township supervisor. Previously, he was employed by 4 Guys Fire Trucks for 22 years and was the owner/operator of Western Village RV Park, Inc., for 15 years. He and his wife, Diane, raised three children. Steve is a member of Meyersdale Grace Brethren Church, where he serves as an usher and deacon, as well as a trustee on the church board. His hobbies include spending time in the great outdoors hunting and fishing, spending quality time with family and friends, and spoiling his four grandchildren. He can also be found at sporting events at local high schools and volunteering at organizations in the Meyersdale community.

ANNUAL REPORT

The past year has given us a glimpse into a considerably different future for the electric industry. Your cooperative works to balance the unpredictability of the energy market with conservative financial and strategic planning to ensure our mission of providing you, our member, with safe, reliable, and cost-effective electric service.

Electric market expectations

Fifteen years ago, natural gas generation represented less than half of its current contribution to the electricity supply. When natural gas prices spiked, we all felt the turmoil created by the significant volatility in the price of natural gas, and subsequently the price of electricity. That all changed suddenly when the Marcellus shale reserves in our region unleashed an abundant supply of natural gas. As a result, the decade following the widespread use of shale gas saw remarkably smooth energy prices.

We experienced natural gas price volatility again last year due primarily to the Russian invasion of Ukraine. The result was unpredictable electricity price spikes similar to those seen prior to the shale revolution. Domestic and global energy markets are changing rapidly, and it's our job to anticipate and prepare for these changes as best we can. Increases in regulation, construction costs, labor costs, and global competition for commodities are all challenges to our mission. Although each of these factors has arisen as an obstacle in the past, we now will work to address them as they happen simultaneously for the foreseeable future.

The best way to mitigate these factors is through self-supply of electricity. We currently do this through our relationship with Allegheny Electric Cooperative, Inc. (Allegheny). Allegheny supplies nearly 65% of our electricity demand through the Susquehanna Steam Electric Station nuclear plant, Raystown Hydroelectric Project and long-term supply contracts with New York Power Authority. That means that our members benefit from having exposure to only 35% of the price volatility associated with the issues noted above.

Financial expectations

The vast majority of the products we use to build our distribution system have not varied significantly for decades, however inflation and supply chain disruptions have created a whirlwind of change in one of the most predictable parts of our industry. Now, delivery schedules and product availability factor heavily into our decisions ranging from upgrading our poles and wires to having back-up servers which allow our office systems to function correctly. Some of the supply disruptions seem to be subsiding but material costs have remained high and do not show signs of subsiding.

Fortunately, the cooperative has taken a conservative financial approach to avoid accumulating excessive debt. This creates opportunities for us to maintain a strong balance sheet without significant rate increases for our members. At this point, the rate increases made last fall have aligned with the increased costs we anticipated we would pay for wholesale electricity. It is too early to know if that pattern will continue, but we will update our members as we learn more about our future costs.

Strategic expectations

We regularly focus our board and management discussions on the future. With several major initiatives being completed recently, this winter provided a unique opportunity to review our goals to ensure we dedicate our resources in ways that best serve our members.

The resulting plans will embrace recent upgrades in meter communication technology to ensure we focus our line rebuilding and maintenance efforts in the most efficient ways and will allow us to be better aligned with the communication expectations of our members. We will also be reviewing our building and storage needs, which have changed over the decades despite very few changes to our office and storeroom facilities. Finally, we will refocus our efforts to facilitate broadband to our members to determine the best way to utilize our resources now and what events would trigger a change of course in this area.

Be assured that your Board and the cooperative staff understand that the most important thing we can do is provide safe, reliable, and cost-efficient electric service to our members. That expectation has remained our guiding principle since our founding and will maintain our purpose-driven work despite the changes to our industry, our area, and the world.



C. Ben Waltermire, Board President



Ruston Ogburn, General Manager

MINUTES OF THE ANNUAL MEETING OF THE MEMBERSHIP OF SOMERSET RURAL ELECTRIC COOPERATIVE, INC.

The Annual Meeting of members of Somerset Rural Electric Cooperative, Inc., Industrial Parkway, Somerset, Pennsylvania, was held at the Cooperative office at 223 Industrial Park Road, Somerset, Pa., on Thursday, May 26, 2022.

Presiding over the meeting was C. Ben Waltermire, President of the Board of Directors. Minutes were recorded by Lowell L. Friedline, Secretary-Treasurer.

President Waltermire announced a quorum of members was reached and called the meeting to order.

Lowell L. Friedline, Secretary-Treasurer, read the official annual meeting notice and certified that it had been mailed to each member of the Cooperative in accordance with the bylaws.

Mr. Friedline then referred to the minutes of the last annual meeting held on Thursday, May 27, 2021. A copy of the minutes was presented to voting members. A motion, followed by a second, carried to approve the minutes as recorded.

The treasurer's report was presented by Mr. Friedline. He stated that the financial report will be published in the June issue of "Penn Lines" magazine. He reviewed 2021 year-end assets and liabilities totaling approximately \$44 million, along with a breakdown of revenues and expenses. A motion, followed by a second, carried to approve the treasurer's report as recorded.

The next order of business was the election of members to serve on the board of directors. President Waltermire introduced General Manager, Ruston Ogburn, for the purpose of describing the nomination and election process. Mr. Ogburn provided a report of the Nominating Committee. He reported that the Nominating Committee met and selected the following members as nominees.

DISTRICT 4: Somerset and Brothersvalley Townships

Jerry L. Engle

DISTRICT 6: Black, Summit and Elk Lick Townships

P. Timothy Vought
Kevin L. Yoder
Daniel Johnson

DISTRICT 8: Upper Turkeyfoot, Lower Turkeyfoot, Stewart, Salt Lick, and Springfield Townships

Joshua C. Sechler

This year's election was conducted under the Bylaws amendments made in 2020 as a drive-through election for three hours at the Cooperative facilities on May 26, 2022.

President Waltermire requested the report of tellers to announce the election results. Larry Hay announced that Jerry L. Engle, P. Timothy Vought, and Joshua C. Sechler were elected to the board representing Districts 4, 6, and 8, respectively.

President Waltermire next called for items of unfinished business and new business. Hearing none, upon a motion followed by a second, the meeting adjourned.

Somerset Rural Electric Cooperative, Inc.

Members' Financial Report of 2022

Balance Sheets - December 31, 2022 & 2021

| | 2022 | 2021 | | 2022 | 2021 |
|------------------------------------------------------------------------------------|----------------------|----------------------|--------------------------------------------------|----------------------|----------------------|
| Assets | | | Equities and Liabilities | | |
| Electric plant in service | \$ 62,364,893 | \$ 59,485,017 | Equities | | |
| Construction work in progress | \$ 474,815 | \$ 606,440 | Memberships | \$ 102,395 | \$ 105,650 |
| Total Utility Plant | \$ 62,839,708 | \$ 60,091,457 | Patronage capital | \$ 36,198,946 | \$ 32,552,666 |
| Accumulated provision for depreciation | \$ (28,960,051) | \$ (28,077,984) | Other equities | \$ 1,684,342 | \$ 1,565,560 |
| Net Utility Plant | \$ 33,879,657 | \$ 32,013,473 | Total Members' Equities | \$ 37,985,683 | \$ 34,223,876 |
| Investments | | | Long-Term Liabilities | | |
| Investments in associated organizations | \$ 818,382 | \$ 818,382 | CFC mortgage notes, less current portion | \$ 4,402,535 | \$ 5,056,862 |
| Patronage capital, due from other cooperatives | \$ 8,893,630 | \$ 7,833,498 | Post-retirement benefit obligation | \$ 678,326 | \$ 687,248 |
| Total Investments | \$ 9,712,012 | \$ 8,651,880 | Total Long-Term Liabilities | \$ 5,080,861 | \$ 5,744,110 |
| Current Assets | | | Current Liabilities | | |
| Cash, general | - | \$ 53,571 | Current portion CFC mortgage notes | \$ 654,327 | \$ 617,793 |
| Accounts receivable, consumers, net of accumulated provision for uncollectibles | \$ 2,361,042 | \$ 1,819,674 | Cash deficit | \$ 110,425 | - |
| Unbilled electric revenues | \$ 609,336 | \$ 430,988 | Accounts payable - purchased power | \$ 1,133,372 | \$ 1,107,761 |
| Other receivables | \$ 757,912 | \$ 698,373 | Accounts payable - other | \$ 359,533 | \$ 339,713 |
| Materials and supplies | \$ 910,628 | \$ 751,960 | Consumer deposits | \$ 1,240,539 | \$ 1,270,062 |
| Prepaid expenses | \$ 88,137 | \$ 84,184 | Other current liabilities | \$ 534,315 | \$ 455,163 |
| Prepayments | \$ 48,221 | \$ 55,260 | Deferred credits | \$ 544,315 | \$ 216,787 |
| Total Current Assets | \$ 4,775,276 | \$ 3,894,010 | Accumulated miscellaneous operating provision | \$ 723,575 | \$ 716,411 |
| Deferred Debit | - | \$ 132,313 | Total Current Liabilities | \$ 5,300,401 | \$ 4,723,690 |
| Total Assets | <u>\$ 48,366,945</u> | <u>\$ 44,691,676</u> | Total Equities and Liabilities | <u>\$ 48,366,945</u> | <u>\$ 44,691,676</u> |

Statements of Revenue and Patronage Capital--For the Years ended December 31, 2022 & 2021

| | 2022 | 2021 | | 2022 | 2021 |
|----------------------------------|---------------|---------------|------------------------------------------------------|---------------|---------------|
| Operating Revenue | | | Operating margins before interest expense | \$ 3,121,431 | \$ 837,516 |
| Sales of electric energy | \$ 22,594,997 | \$ 21,217,086 | Interest expense | \$ 269,704 | \$ 300,946 |
| Other operating revenue | \$ 1,806,899 | \$ 1,601,692 | Operating margins after interest expense | \$ 2,851,727 | \$ 536,570 |
| Total Operating Revenue | \$ 24,401,896 | \$ 22,818,778 | Nonoperating Margins | | |
| Operating Expenses | | | Interest income | \$ 34,251 | \$ 37,334 |
| Cost of power | \$11,108,453 | \$11,103,666 | Gain (loss) on disposition of property | \$ 82,531 | \$ 9,680 |
| Distribution - operation | \$ 2,221,269 | \$ 2,133,792 | Total Nonoperating Margins | \$ 116,782 | \$ 47,014 |
| Distribution - maintenance | \$ 3,662,452 | \$ 4,618,918 | Capital Credits | \$ 1,322,592 | \$ 2,085,022 |
| Consumer accounts | \$ 903,764 | \$ 888,095 | Net Margins | \$ 4,291,101 | \$ 2,668,606 |
| Consumer service and information | \$ 288,671 | \$ 266,687 | Patronage Capital, Beginning of Year | \$ 32,552,666 | \$ 30,468,307 |
| Administrative and general | \$ 1,210,696 | \$ 1,135,240 | Retirement of Capital Credits | \$ (644,821) | \$ (584,247) |
| Depreciation and amortization | \$ 1,885,160 | \$ 1,834,864 | Patronage Capital, End of Year | \$ 36,198,946 | \$ 32,552,666 |
| Total Operating Expenses | \$ 21,280,465 | \$ 21,981,262 | | | |

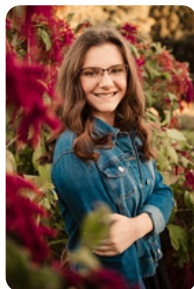
Note: The complete 2022 Audit Report, as audited by Beer Ream Co., is available for inspection at the offices of Somerset Rural Electric Cooperative, Inc.

2023 SCHOLARSHIP RECIPIENTS

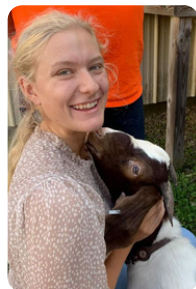
For the 22nd consecutive year, Somerset Rural Electric is providing financial assistance to local students who are seeking to advance their education beyond high school. This assistance recognizes well-rounded high school seniors for outstanding academic careers, scholastic activities and community service, not financial need. Somerset REC is awarding \$1,000 scholarships. The winners were selected from a group of qualified applications received from high schools and numerous communities throughout Somerset REC's service territory. The scholarship committee congratulates our scholarship recipients' incredible accomplishments. These bright young students are motivated and excited about embarking upon the challenge of following the varied career paths they have chosen.



**Alex
Barclay**



**Abigail
Barlow**



**Jennifer
Countryman**



**Reagan
Emory**



**Abygail
Floyd**



**Ava
Hair**

Alex Barclay is a senior at Rockwood Area High School. He is the son of Jeff and Ginny Barclay. His future plans include attending Washington & Jefferson and major in political science and accounting. His career goal is to be an attorney. He is a member of National Honor Society, Spanish Honor Society and is the senior class president. Alex is also a four-year letterman in varsity golf. In his non-school time, he enjoys studying, golfing, spending time with friends, and working.

Abigail Barlow is the daughter of William and Megan Barlow and will be graduating from Turkeyfoot Valley Area School District. In the fall, she plans to attend Yale University to earn a degree in molecular, cellular and developmental biology with a career goal to be an emergency room physician. She is vice president/treasurer of her senior class, treasurer of student council and SADD, and holds officer positions in chorus, theater, and prom committee. Abigail is also the vice president/treasurer of the Buffalo Creek 4-H club and news reporter for the Somerset County 4-H Exchange Club. Her proudest achievement has been publishing research that she completed at the Pennsylvania Governor's School for the Sciences. In her free time, she enjoys volunteering in her community, baking, kayaking, and spending time with her pets.

Jennifer Countryman is graduating from Berlin Brothersvalley High School and is the daughter of Mike and Carol Countryman. Her future plans include attending Lock Haven University to major in the physician assistants accelerated program. She is the senior class treasurer, Leo Club treasurer, and National Honor Society treasurer. Jenny is a member of the varsity volleyball, basketball and softball teams and is involved with her church youth group and Fellowship of Christian athletes. She enjoys spending time on her family farm, hanging out with friends and being a part of musical productions.

Reagan Emory is a senior at Northern Garrett High School and is the daughter of William and Diane Emory. After graduation, she plans to attend Clemson University and major in accounting with a career goal to be a certified public accountant. In school, she is the National Honor Society secretary, Future Business Leaders of America president, and member of the varsity volleyball team. She enjoys volunteering in her community, being outdoors and playing on her traveling volleyball team.

Abygail Floyd is the daughter of Jason and Angel Floyd and a senior at Rockwood Area High School. Her future plans include attending Indiana University of Pennsylvania to obtain a nursing degree with a career goal of becoming a travel nurse. She is the senior class and National Honor Society vice president, president of student council, SADD and chorus, and Future Business Leaders of America Chapter and Region 17 president. Abygail is also a member of French Honor Society, Spanish Honor Society, and varsity track and softball teams. In her spare time, she enjoys practicing gymnastics and coaching ninja warrior at Laurel Highlands Gymnastics, volunteering for Camp Parc as a camp counselor, traveling, and reading.

Ava Hair is a senior at Turkeyfoot Valley Area High School and is the daughter of Dale Hair and Janice Scully. She plans to attend Penn State Fayette to obtain a bachelor of science degree in nursing and play basketball. Ava is the senior class and National Honor Society secretary, member of student council, prom committee, SADD, weight lifting club and played on the varsity basketball team. Outside of school, she has two part-time jobs, loves kids and spending time with family and meeting new people.

2023 SCHOLARSHIP RECIPIENTS



**Clara
Hoover**



**Lilianna
Hug**



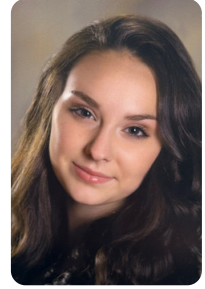
**Will
Latuch**



**Ava
Rhoads**



**Mia
Rosman**



**Olivia
Vaughn**

Clara Hoover is a senior at Northern Garrett High School. She is the daughter of Michael and Jessica Hoover. Her future plans include attending Garrett College for general studies/pre-nursing with a career goal to be a nurse in radiology or the emergency department. Clara is a past member of the North Garrett FFA and a current member of the National Honor Society. After graduation, Clara will be taking an EMT class and joining the Friendsville Volunteer Fire Department and rescue squad. She enjoys hunting, fishing, riding UTV's, and spending time with family and friends.

Lilianna Hug is the daughter of Bill Hug and Annelise Carleton-Hug and attends Salamander Meadows Homeschool. She is currently living abroad in Belgium through a Rotary Youth Exchange Program. In the fall, she plans to attend Penn State University to obtain a bachelor of science degree in resource management and a bachelor of arts degree in history with plans to work for a governmental organization or non-profit as a scientist and/or historian. She has participated and won awards in the National History Day competition and attended the Wildlife Leadership Academy as a student and assistant team leader. Lily enjoys volunteering as an assistant coach for a local ski team, reenacting the French and Indian War, and conducting research, give presentations and educate the public on the 18th century. She also works part-time as an educator at Fallingwater. In her free time, she enjoys a variety of outdoor activities such as biking, canoeing, whitewater rafting, hiking, and running.

Will Latuch is graduating from Rockwood Area High School and is the son of Andy and Jill Latuch. His future plans include attending Penn Highlands Community College & IUP to become a physical education teacher. He is a member of National Honor Society, participated in varsity football, soccer, basketball and baseball where he often was the team captain. Will has organized youth basketball camps, coached 5th and 6th grade basketball, and is a volunteer at Camp Parc. In his free time, he enjoys riding dirt bikes.

Ava Rhoads is a senior at North Star High School and is the daughter of Daniel and Amanda Rhoads. After graduation, she plans to attend Saint Francis University and major in marine biology with a career goal to be an aquatic veterinarian. In school, she is the chemistry club president, secretary of service club, lead in the school musicals for three years, member of Mu Alpha Theta, Outstanding Young Woman Scholarship Program winner, and has obtained 30 college credits while in high school. Ava's free time is spent playing *Stardew Valley* on her Nintendo Switch, hanging out with friends, reading, watching movies, practicing for musicals, going on long drives, and putting puzzles together. Her ultimate goal is to live a happy life saving sea animals.

Mia Rosman is the daughter of Joshua and Stacey Rosman and a senior at Somerset Area High School. Her future plans include attending the University of Pittsburgh to obtain a secondary education degree and change the lives of students as a high school teacher. She is the captain of the varsity tennis and basketball teams, French National Honor Society and French Club vice president, yearbook editor, and a member of Interact Club, student council, the orchestra, National Honor Society and Fellowship of Christian Athletes. In her spare time, she volunteers in her community, is very active in her church and youth group and enjoys hanging out with family and friends.

Olivia Vaughn is a home schooled senior and the daughter of Tim and LeAnn Vaughn. She plans to attend Somerset County Technology Center to earn a cosmetology degree and own and operate her own nail and hair salon some day. Olivia is the captain of the cheer squad and participates in competitive cheer. Outside of school, she enjoys taking dance classes such as tap, jazz, contemporary and hip hop and was a contestant in the Maple Queen Scholarship Pageant.

**The scholarship committee is formed by three employees and three directors of the cooperative. Scholarships are paid out of the Co-op's Escheats fund, which is unclaimed capital credit money. Escheat money is also used to cover the costs associated with Youth Tour, annual donations to local fire departments, and donations to community organizations.*

SOMERSET RURAL ELECTRIC COOPERATIVE RIGHT OF WAY VEGETATION MANAGEMENT

CLEARING POWER LINES FOR RELIABILITY AND SAFETY.



Our vegetation management program helps minimize storm damage and power outages. However, the program does not clean up trees and limbs downed by storms.

When emergency efforts to restore power require the removal of trees or limbs from power lines, the trees or limbs are left in as safe a manner as conditions allow.

Cleaning up debris left by storms or emergency restoration work is the responsibility of property owners.

Trees are a major cause of blinks and outages on Somerset Rural Electric's system. Brush growing near power lines hinders a repair crew's ability to get to damaged lines quickly and adds to outage restoration time. Keeping power lines clear of trees and brush is essential for safe, reliable electric service.

Please remember any tree in or near a power line right-of-way that poses a safety or reliability threat may be trimmed or removed. You can prevent trimming or cutting trees by planting the right tree in the right place (see below).

In non-yard (non-maintained) areas, Somerset REC clears the full width of the right-of-way.

SPECIAL CONSIDERATIONS

Please do not plant trees or shrubs next to green transformer boxes (for underground electric service) and electric meters. Trees with shallow surface roots or deep spreading roots can damage them. We also need access to our electrical equipment for routine maintenance and, if necessary, to restore power for you.

MEMBER NOTIFICATIONS

Automated phone calls are sent by the cooperative to notify members if tree-trimming contractors will be working near power lines in their area.

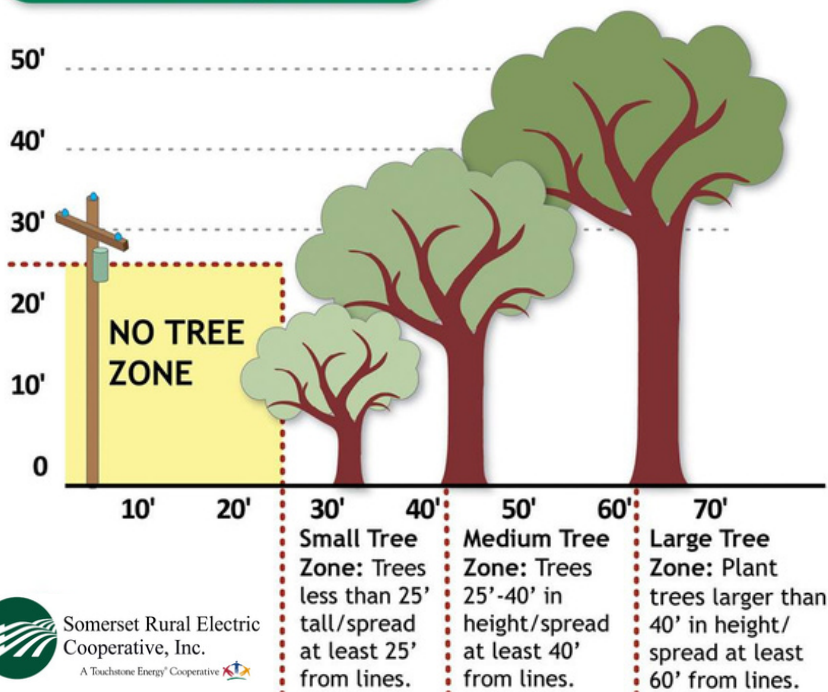
Contractors also attempt to contact members by knocking on doors or by phone calls prior to work being done.

Please keep your phone number records up-to-date to ensure we can reach you.

Being proactive about right-of-way maintenance helps to keep the power flowing and your lights on.

We appreciate the phone calls we receive about potential issues and hope you continue to keep us informed. We cannot always get to all of the tree issues in one day, but calls are documented and work is done as time permits.

Tree Planting Guide



If you have any questions about right-of-way maintenance, please contact the cooperative office.



814-445-4106



service@somersetrec.com

SOMERSET RURAL ELECTRIC COOPERATIVE RIGHT OF WAY VEGETATION MANAGEMENT

CLEARING POWER LINES FOR RELIABILITY AND SAFETY.

PLANT THE RIGHT TREE IN THE RIGHT PLACE

Trees beautify our neighborhoods, and when planted in the right spot, can even help lower energy bills. But the wrong tree in the wrong place can be a hazard. Listed below are common species of trees and shrubs at matured growth.

SMALL TREES

Height/spread of
no more than 25 feet:

Star Magnolia Washington Hawthorn
Dwarf fruit trees Golden Rain tree
Lilac Eastern Redbud
American Arborvitae
Dogwoods

MEDIUM TREES

Height/spread of
25 to 40 feet:

Maple
Oak
Spruce
Pine
Birch
Linden

LARGE TREES

Height/spread of
more than 40 feet:



The diagram located on the other side of this
handout is a great visual when planting trees.

LANDOWNER COOPERATION

A key factor in any right-of-way (ROW) maintenance is landowner cooperation.

Before you, our member, make a commitment to ROW maintenance, you may be asking yourself why the cooperative, or any utility for that matter, needs to trim, cut or spray any vegetation on your land.

The bottom line is that strict industry regulations mandate that power lines and ROW's surrounding them must be clear of possible hazards caused by trees or vegetation.



ROW AGREEMENT

All members of Somerset REC are required to complete a notarized right-of-way agreement. Each new member agreement is recorded at the property's respective county courthouse and kept on file at the cooperative.

Notary service for this document is available free of charge at the cooperative office.

WOOD DISPOSAL & STUMP REMOVAL

Maintained Areas

After a tree is pruned or removed, small tree limbs and branches are run through a chipper. Wood that is too large for the chipper is cut into manageable lengths and left on the property near the base of the tree or moved to the side of the right-of-way.

Wooded Areas

The limbs and brush are piled at the edge of the right-of-way and cut into smaller pieces. The logs are left whole or in manageable pieces, depending on what arrangements the property owner specified.

In both **maintained** and **wooded** areas, utility crews do not remove stumps or roots of trees. Typically, stumps will be cut off flush with the ground and disposal or use of all such wood is the property owner's responsibility. Trees that are located in fence rows or that contain metal, cement, rocks, etc. will be cut above the interfering material.



Know what's below.
Call before you dig.

Be **safe!** Always call 811 *before* you dig to locate any buried utility lines.

HERBICIDE PROGRAM



Herbicide application is a cost-effective tool used for maintaining right-of-ways.

The forestry herbicides applied are EPA-approved and allow low growing species that pose no threat to overhead lines to later develop.

Herbicide application is applied only by state-licensed professionals.

ALWAYS ASSUME POWER LINES ARE ENERGIZED. REMOVING TREES NEAR POWER LINES CAN BE DANGEROUS. NEVER ATTEMPT TO REMOVE A TREE NEAR OR ON A POWER LINE. STAY BACK AND CALL SOMERSET REC FOR ASSISTANCE. ALSO, NEVER LET CHILDREN PLAY IN TREES THAT ARE CLOSE TO POWER LINES.

MEMBER SATISFACTION SURVEY

Thank you for being a member of Somerset Rural Electric Cooperative and actively engaging in cooperative meetings and events. As part of our effort to continuously improve our member service, we request that our members provide feedback on the service you receive from us. We use this input to better align with the needs of our members.

Please take a few moments of your time and give us an honest appraisal of our performance.

Most questions require a simple check or rating along a scale. However, we also provided space to add more specific comments and suggestions. This survey may be completed and returned as you exit the auditorium doors or you may also mail or drop it off at our office at 223 Industrial Park Road, Somerset, PA 15501.

Thinking about your experience with Somerset REC, please answer the following questions.

1. **First, please consider all your experiences to date with Somerset Rural Electric Cooperative.** Using a 10-point scale on which "1" means "very dissatisfied" and "10" means "very satisfied", how satisfied are you with Somerset REC?

| | | | | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Prefer not to Answer |

2. **To what extent has Somerset REC fallen short of your expectations or exceeded your expectations?** Using a 10-point scale on which "1" now means "falls short of your expectations" and "10" means "exceeds your expectations", to what extent has Somerset REC fallen short of or exceeded your expectations?

| | | | | | | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Prefer not to Answer |

3. **What is most important to you about your Cooperative? (please select all that apply)**

| | | |
|----------------------------------------------|----------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Low electric rates | <input type="checkbox"/> Restoring outages quickly | <input type="checkbox"/> Member Service |
| <input type="checkbox"/> Fewer power outages | <input type="checkbox"/> Community Service | |

4. **What method do you prefer to pay your bill? (please select one)**

| | | |
|-----------------------------------|----------------------------------------|--------------------------------------------------------------|
| <input type="checkbox"/> By mail | <input type="checkbox"/> Auto Draft | <input type="checkbox"/> SmartHub app |
| <input type="checkbox"/> By phone | <input type="checkbox"/> In the office | <input type="checkbox"/> Online through Somerset REC website |

5. **If you need to contact Somerset REC, what method are you most likely to do? (please select one)**

| | | |
|------------------------------------------|-------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Call the office | <input type="checkbox"/> Visit the office | <input type="checkbox"/> Mail a note or letter |
| <input type="checkbox"/> Send an e-mail | <input type="checkbox"/> Co-op website | <input type="checkbox"/> Facebook messenger |

6. **Which of the following Somerset REC programs are you aware of? (please select all that apply)**

| | | |
|----------------------------------------------|---------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> Pennies from Heaven | <input type="checkbox"/> Scholarships | <input type="checkbox"/> Electric Thermal Storage (ETS) |
| <input type="checkbox"/> Lights On | <input type="checkbox"/> Youth Tour | <input type="checkbox"/> Water Heater Sales & Installation |
| <input type="checkbox"/> HVAC Service | <input type="checkbox"/> GenerLink | <input type="checkbox"/> None of the Above |
| <input type="checkbox"/> Solar Net Metering | <input type="checkbox"/> Co-op Cheer | |

7. Which of the following Somerset REC programs or events are you likely to participate in over the next 12 months?
(please select all that apply)

- ☐ Annual Meeting ☐ Member Appreciation Day ☐ Water Heater Sales & HVAC Service
☐ Co-op Cheer ☐ Solar Installation

8. Do you prefer an in-person or drive-thru format for the Somerset REC annual meeting? (please select one)

- ☐ In-person Meeting ☐ Drive-thru Meeting

If you chose in-person meeting, do you like the location of the annual meeting?

- ☐ Yes ☐ No ☐ I'd like to suggest: _____

9. Do you read the Penn Lines magazine? (please select one)

- ☐ Always ☐ Sometimes ☐ Never

10. Do you engage in the co-op's social media channels such as our website and/or Facebook page? (please select one)

- ☐ Always ☐ Sometimes ☐ Never

11. If the co-op utilized texting for members, would you participate? (please select one)

- ☐ Yes ☐ No

Do you know a co-op member that is experiencing a financial hardship such as loss of income, illness, or life-changing event? The co-op's Lights On fund may be available to help. Nominate them here or call the office for more information.

Member's Name: _____

Member's Address: _____

If you would like further information on any of the programs listed above or would like someone from the Co-op to contact you regarding a question or comment, please provide contact information and the program name.

NAME: _____ PHONE NUMBER: _____

ADDRESS: _____

I'D LIKE MORE INFORMATION ABOUT: _____

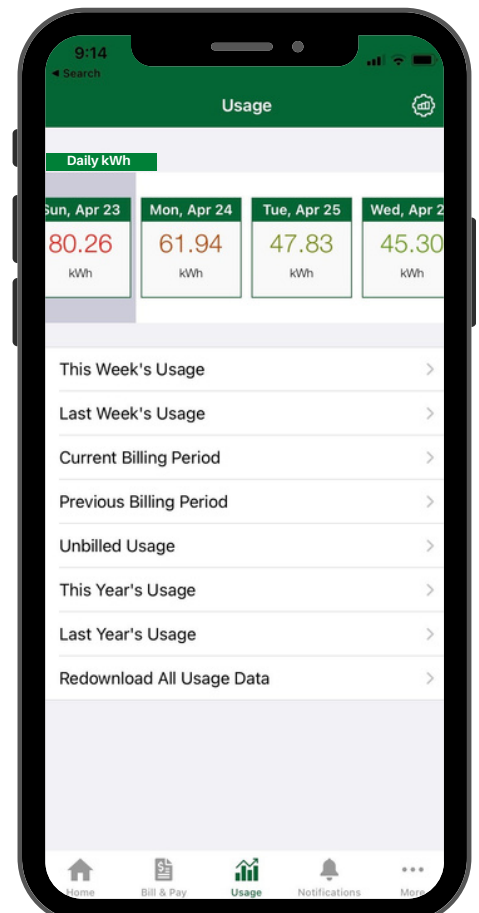
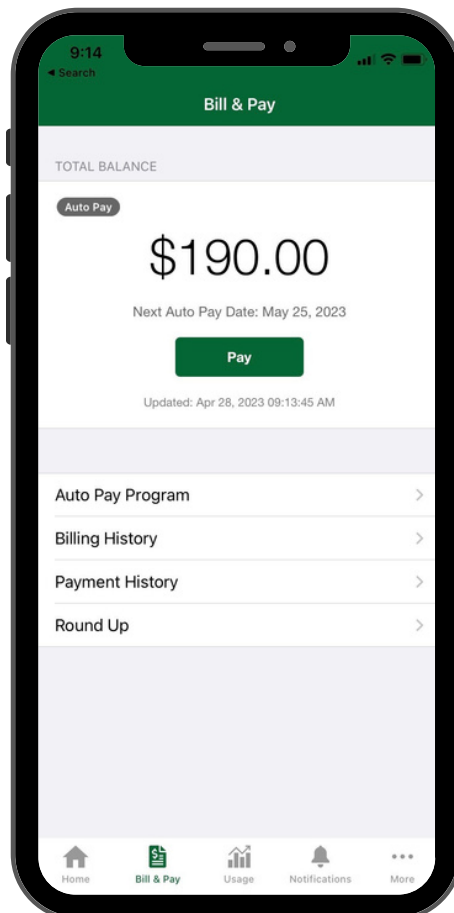
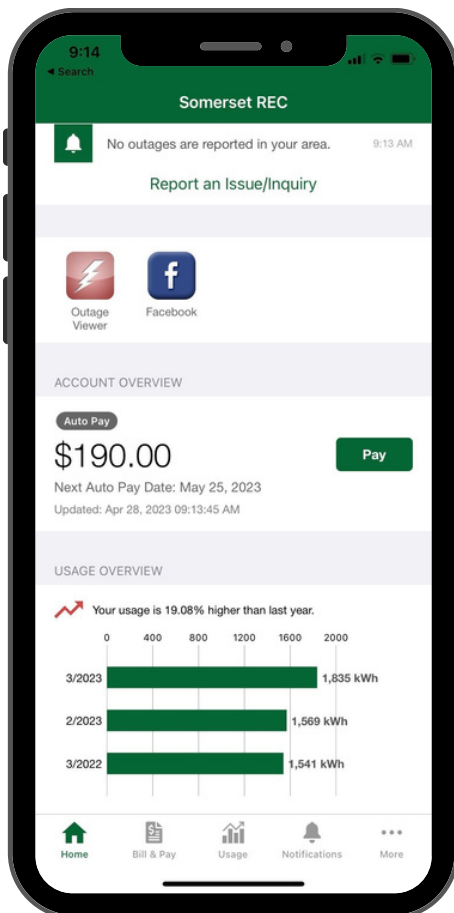
Please share any specific comments on how we can improve your member experience.

HAVE YOU TRIED THE SMARTHUB APP?



Smarthub is a convenient way to manage your Somerset Rural Electric account. This free app is available to download on your tablet or mobile device with easy to use features such as:

- ✓ **VIEW OR PAY YOUR ELECTRIC BILL**
- ✓ **ENROLL IN AUTO PAY OR ROUND-UP PROGRAM**
- ✓ **CHECK DAILY, MONTHLY & YEARLY ELECTRIC USE**
- ✓ **REPORT AN ISSUE OR OUTAGE**
- ✓ **VIEW OUTAGE MAP**



**DEDICATED TO PROVIDING SAFE AND RELIABLE ELECTRIC
SERVICE TO THE MEMBERS WE SERVE.**

**Somerset Rural Electric Cooperative, Inc.
223 Industrial Park Road
Somerset, PA 15501**

 **814-445-4106**

www.somersetrec.com



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