Somerset Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative



One of 14 electric cooperatives serving Pennsylvania and New Jersey

SOMERSET REC

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OFFICE HOURS

Monday through Friday 7:30 a.m. - 4 p.m.

EMERGENCY OUTAGE NUMBERS

814-445-4106 800-443-4255

COOPERATIVE ONNECTION

Rate Adjustment Ahead as Operational Costs Increase



RUSTON OGBURN

THE VASTLY CHANGING WHOLESALE ELECTRICITY market and the continued pressures on our supply chain costs led us to work with an outside consultant to perform a cost-of-service study. These study results detail each aspect of the cooperative's operational costs.

We last conducted a cost-of-service study in 2017. As I described at our annual meeting in May, considerable changes have occurred in the past seven years — especially in the past four. The two areas with the greatest change are the price we pay to purchase the electricity we supply to our

members and the costs we pay for poles, wires, transformers, etc.

For decades, we have invested in owning a significant portion of our generation needs through Allegheny Electric Cooperative, Inc., a not-for-profit generation and transmission cooperative in Harrisburg that's owned by the 13 electric distribution cooperatives in Pennsylvania and one in New Jersey. Through generation ownership and long-term power-purchase agreements, about 65% of our supply cost remains relatively constant.

The remaining 35% of Allegheny's supply comes from shorter-term power supply contracts. These purchases remain expensive, primarily because global risks to energy supplies remain significantly higher than at any time in the past several decades.

Wholesale power costs incorporate the cost for the transmission system that delivers power from generators to our substations. The transmission system has been under increasing pressure from major shifts in generation resources. Most of this cost focuses on the peak demands for electricity use that occur primarily in the summer. This kilowatt demand accounts for approximately 55% of our wholesale electricity costs.

Given these changes in our cost of service, the board reviewed all aspects of the revenue associated with our monthly bills. The combination of wholesale power and supply chain increases clearly showed both the basic service fees and the power costs would be the appropriate way to balance revenues with expenses.

This realignment will increase monthly electric bills by approximately 8% or 9% for the average residential member. Commercial members will see similar increases as well as increased demand charges. These rates will begin for bills calculated after Aug. 1.

A comparison with our neighboring utilities after this increase shows our rates will remain significantly lower. Everyone at the cooperative takes pride in the value these rates provide, and we continually look for ways to keep our costs low for our members. A billing insert explaining the rate adjustment in more detail will be included with your next electric bill.

RUSTON OGBURN

GENERAL MANAGER

Somerset County Students Inspired to Lead After Attending Youth Tour

EMILY BAER, DIRECTOR OF MARKETING AND MEMBER SERVICES

AS PART OF MY EMPLOYMENT with the co-op, I am blessed with the opportunity to step outside my office and chaperone students attending Youth Tour in Washington, D.C. Each year, I find myself just as excited as the students to attend this trip to the nation's capital. For me, that means museums, monuments, experiences and a new group of high school students to get to know. For many of the students, this is their first time visiting Washington and, in some cases, leaving home.

Preparing for Youth Tour is an extensive process;



MEET YOUR DELEGATES: High school students representing Somerset Rural Electric Cooperative (REC) gather outside of the Plant Word Museum in Washington, D.C., during Youth Tour. Shown, from rear left, are: Sami Jo Hayman, K Saylor, Florence Hufford, Ryan Sechler, Haylee Speicher, Chloe Weaver, Teegan Pugh and Ella McCahan (Bedford REC). Shown, in front from left, are: Elika Pletcher, Suzannah Walker, Brandon Hurley, Ruth Ann Mathias, Adeline Barkman



YOUTH LEADERSHIP: Brandon Hurley makes his case for being the Pennsylvania representative on the Youth Leadership Council (YLC) to fellow Youth Tour delegates. Once the votes were tallied, Brandon was selected to represent Pennsylvania on the 2024-25 YLC.

advertising to recruit students begins in November for the following summer. One way I promote this fantastic program to schools in our community is by setting up appointments with guidance counselors and speaking to students about the week, including the scholarship and career opportunities Youth Tour may present.

Interested students apply, participate in an interview and write an essay. Through these in-person interviews, the judges learn about the students' involvement in their school, extracurricular activities and other interests or part-time jobs they may have. Each year, the students set the bar higher to prove they are deserving of being selected for Youth Tour. Eleven students from Rockwood, Berlin, Meyersdale, North Star, and Shanksville experienced Youth Tour together in June.

Since Youth Tour is conducted through the National Rural Electric Cooperative Association (NRECA), there are many opportunities. Ryan Gardner and Sami Jo Hayman were selected to represent Pennsylvania on the Youth Leadership Council (YLC) in 2019 and 2023, respectively. After more than a dozen students were interviewed for YLC this year, I am proud to announce another student sponsored by Somerset Rural Electric Cooperative (REC), Brandon Hurley of North Star, will be Pennsylvania's representative on the YLC in 2024. Brandon is passionate about being a leader, soaking up every opportunity that comes his way, and thrives on networking and meeting new people. Congratulations to Brandon on this accomplishment and the entire group of Somerset RECsponsored students for a job well done representing your co-op and community!

Now, let's hear what students had to say about their week in Washington, D.C., June 16-21:

Teegan Pugh, Shanksville-Stonycreek High School

"My trip to Washington, D.C., for Youth Tour was probably one of the most important and exciting opportunities that I've embarked on to this day. I learned a lot of interesting, historical knowledge through visiting museums and monuments, as well as more modern and relevant knowledge from talking to representatives and staffers on Capitol Hill.

"I saw many people step out of their comfort zone, proving that this is a great opportunity for everyone, even if they're shy. I believe this trip helped me realize that I have a voice, and not only can I use it, but I should use it. I would recommend this trip to others by that alone. I am very grateful for everyone who came together to make this educational, engaging, and downright fun trip possible. Thank you!"

Chloe Weaver, Rockwood Area High School

"Youth Tour to Washington, D.C., was truly a life-changing experience for me. It opened my eyes to the rich history and vibrant culture of our nation's capital. I enjoyed the visit to Capitol Hill because we were able to deepen our understanding of how government functions.

"Meeting other young people from diverse backgrounds and engaging in discussions about leadership and civic responsibility inspired me to become more active in my community. One of the highlights of the week was the NRECA Farewell Evening, where we were able to get to know people from all over the United States. Overall, the trip broadened my horizons and motivated me to strive for positive change in my own life and the lives of others."

Florence Hufford, Shanksville-Stonycreek High School

"Youth Tour was an extraordinary experience. I am still in disbelief that I got to participate in such a program. I had so much fun going to all the museums, participating in activities, and pin trading! I will never forget the trip. I received so many opportunities to better my future success and will forever be grateful for it. I have a great interest in history and art, and this trip has given me a new perspective and outlook on what's out there for me. I would like to thank Somerset Rural Electric Cooperative for this amazing opportunity."

Adeline Barkman, Rockwood Area High School

"Not only did Youth Tour teach me to branch out of my comfort zone, but it also exposed me to completely new experiences and perspectives. My week spent in Washington, D.C., among nearly 1,700 other like-minded students and chaperones, was filled with plenty of sightseeing, personal growth, wisdom, new friendships and memories that will last forever. These exposures opened my eyes to the endless opportunities outside of our rural community that I have only ever known. Overall, Youth Tour was a transformative experience that has left a lasting impression on my character and how I will go about navigating future endeavors."

Ryan Sechler, Meyersdale Area High School

"My experience at Youth Tour was once-in-a-lifetime. The trip will impact my future not only because I made many new friends, but it also helped me to be more sociable and develop better social skills. It also opened my eyes with many future opportunities, such as scholarships and even job openings."

Haylee Speicher, Berlin Brothersvalley High School

"During Youth Tour we traded pins and visited the monuments and museums of Washington, D.C., but I'm mostly impacted by the people I've met and connected with. The coordinators of Youth Tour have impacted me for the better and are my inspiration to get out there and meet new people because you never know when someone might just need you to make a conversation and be their friend."



CAPITOL HILL: Emily Baer, director of marketing and member services, left, joins students sponsored by Somerset Rural Electric Cooperative in Washington, D.C., prior to meeting with legislative staffers to discuss policy and ask questions.

Brandon Hurley, North Star High School

"Youth Tour is something that I genuinely believe everyone should experience. The people that I met, the friends I made, the things I learned, the memories I developed, are things that I will never forget. Youth Tour has also opened so many doors for me, one of them being the Youth Leadership Council. Being on a team of such outgoing and amazing people has brought me friends that are across the country. I cannot thank my cooperative, the statewide team, and the chaperones for such an amazing week."

K Saylor, Shanksville-Stonycreek High School

"REC Youth Tour changed my life. I was able to experience a weeklong trip to the nation's capital and have a once-in-a-lifetime opportunity. I was able to learn more about my options for the future and get into government work more. The trip changed my perspective and let me see that I'm in control of what I do. The visit to Capitol Hill opened my eyes to internships that will help me get my foot in the door. I am very grateful for this incredible opportunity."

Suzannah Walker, North Star High School

"Thank you, Somerset REC, for giving me a wonderful opportunity to be a part of Youth Tour! Not only did I meet incredible people, but I also found a deeper passion for what I would like to pursue after high school. After graduation, I want to be an active member of the U.S. Air Force. Visiting monuments, memorials, and informational sites helped me gain a better understanding of the importance of our country and what it means to me. Since then, I feel more confident in my decision for my future. I

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YOUTH TOUR

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encourage upcoming students to apply for this awesome experience."

Ruthie Mathias, Rockwood Area High School

"Coming from someone who's dreamed of working in D.C. for an embarrassingly long time, Youth Tour was like a dream come true for me. I had the opportunity to see many aspects of how our government is run, while making memories and friendships that will last a lifetime. Whether we were visiting museums, sightseeing at monuments, or pin trading at the hotel, Youth Tour had something fun for everybody and gave everybody the opportunity to grow."

Elika Pletcher, Rockwood Area High School

"I can't even begin to express how much I LOVED Youth Tour. The people, the activities, and the atmosphere were like no other. I've been on plenty of trips similar to Youth Tour, but none of them even come close to how impactful this experience was. I wish the trip would've just never ended. Every single part was SO incredible. Youth Tour will always have a special place in my heart."

WALTERMIRE RETIRING AFTER 30 YEARS AS CO-OP DIRECTOR

C. Ben Waltermire retired from the co-op board of directors in May after serving members for more than 30 years.



WALTERMIRE

Ben joined the Somerset Rural Electric Cooperative (REC) board in 1994, representing members in District 5, which is comprised of Middlecreek and Milford townships. He earned his Credentialed Cooperative Director certification, Board Leadership Certificate and was awarded the Director Gold Certificate for 2016 to 2024. Ben most recently served as board president since 2019.

Ben also served as the National Rural

Electric Cooperative Association (NRECA) voting delegate for many years, and he thoroughly enjoyed traveling and participating in the NRECA Annual Meeting, where he brought valuable information and broader cooperative issues back to the board to discuss. He also was active in serving the members at Member Appreciation Day and participated in Board Tour, where directors spend a day touring our service territory and learning about operations and larger projects in progress at the co-op. Ben's cooperative leadership and commitment to the members will be missed.

"Ben stepped into the role of board president in 2019 and was quickly faced with one of the most challenging years as the cooperative was working through significant operation changes with uncharted risk." says Somerset REC General Manager Rus Ogburn. "Through that time, he ensured that the cooperative remained committed to the fundamental principles that guided the organization from beginning, even if they needed to be applied in different ways."

Congratulations, and thank you for serving our membership, Ben!

NEW EMPLOYEE SPOTLIGHT — WELCOME EMILY PARKS

Emily Parks joined Somerset Rural Electric Cooperative in May as a geographic information system (GIS) and operations analyst less than a week after she graduated from Indiana University of Pennsylvania (IUP), where she earned a Master of Science in geographic sciences and planning. Her higher education journey started after graduating from Chestnut Ridge High School in 2018. She earned two bachelor's degrees, one in geography and one in justice administration



EMILY PARKS

and criminology, from the University of Pittsburgh at Johnstown, where she graduated in 2022.

During her time at IUP, she earned her remote pilot certification from the Federal Aviation Administration and has experience planning and operating drone flights. She has since helped B&L Tree Service, a third-party right-of-way maintenance company, use drone technology to apply herbicides. (Helicopter spraying may soon become a thing of the past!)

She also worked as a GIS technician for IUP's Institute for Mine Mapping, Archival Procedures, and Safety. There, she used geographic information systems to digitize and process quality-control data for abandoned coal mines in Pennsylvania.

Emily is eager to learn more about the electric industry and the overall mapping of our system.

"So far, I have enjoyed the job, and the people here are super nice and were very welcoming to me," Emily says. "It's a nice balance of being in the office working on the computer and being out in the field gathering data from transformers and substations."

In her free time, she enjoys reading and playing video games. She loves being "crafty" and enjoys painting, sewing, and creating things using resin and filament 3D printers.

Welcome to the co-op family, Emily. We're glad you're here.

Somerset REC offices will be closed Monday, Sept. 2, in observance of Labor Day.