

Somerset Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives
serving Pennsylvania and New Jersey

Somerset REC

223 Industrial Park Road

Somerset, PA 15501

814-445-4106

800-443-4255

Email: e-mail@somersetrec.com

Website: www.somersetrec.com

BOARD OF DIRECTORS

President

Clarence B. Waltermire, District 5

Vice President

Jerry L. Engle, District 4

Secretary/Treasurer

Lowell L. Friedline, District 3

Floyd T. Lehman, District 1

Russ Hillegas, District 2

Wayne E. Sechler, District 6

Carl A. Hay Jr., District 7

Joshua C. Sechler, District 8

Harvey W. Reckner Jr., District 9

**Ruston Ogburn
General Manager**

Staff

Gary Gindesperger,

Manager of Information Technology

Douglas E. Glessner,

Manager of Outside Operations

Jonathan Hillegas,

Director of Finances

Emily Baer,

Director of Marketing and Member Services

Elizabeth Morocco,

Executive Assistant

Phil Stern,

Manager of Metering

Office Hours

Monday through Friday

7:30 a.m. - 4 p.m.

Emergency Outage Number

814-445-4106

800-443-4255

Guest Column



Yard lights provide safety and security

By Emily Baer

FOR YEARS, yard lights have provided a sense of safety and security for our members. Yard lights are a convenient and affordable way to protect your home and property. They can provide peace of mind when coming home after dark or when peeking outside in the middle of the night when the dog is barking. By simply paying a monthly fee, you can have this security and know that the cooperative will take care of the yard light installation and maintenance.


Your cooperative currently offers pole-mounted yard lights for lease to its members. These lights use 45-watt LED bulbs. Compared to the 175-watt mercury vapor or the 100-watt high pressure sodium lights previously offered, the LED yard light is more energy efficient and provides a brighter light. The LED yard light has a photo sensor that comes on automatically at dusk and goes off at dawn. Energy used by the light does not register on your meter, but is billed at a flat rate.

The basic monthly service fee for a yard light includes installation on an existing pole, the energy needed for the light and routine maintenance. Currently, the cost of a yard light is

\$10 per month. This cost will appear on your monthly electric bill along with the charges for your electric use. Sometimes a separate transformer that services only the yard light is needed and a fee for this transformer will also be billed. This charge is in addition to the monthly yard light service fee.

Before the cooperative can install a new yard light, the member must sign a yard light contract. This contract states that the member agrees to pay the cooperative in full for one year's service, even if the yard light is disconnected before the first year of service is completed.

All yard lights must be mounted on a pole with a transformer. Yard lights cannot be mounted on structures such as houses, garages or pavilions. If you do not have a pole, the cooperative can arrange to have one set for an additional charge. Keep in mind that the LED lights used by the cooperative are dusk-to-dawn lights and are not motion-sensing lights.

Interested in a yard light? Please call the cooperative at 814-445-4106 and ask to speak to Kara. Adding safety and protection to your property is just a phone call away. 



Clarence B.
Waltermire
President



Ruston Ogburn
General Manager

ANNUAL REPORT

THE PAST YEAR'S disruptions required the cooperative to find new ways to meet with our members, communicate and operate. Preparing for disruption and responding to difficult situations without hesitation is our primary job, so the cooperative employees were ready to face these issues, as well.

Rethinking processes that have worked for decades requires an open mind and a constant focus on our primary objective. This objective has remained the same throughout the life of the cooperative: Provide reliable and safe electric service to our members as efficiently as possible.

To meet this objective, we prioritized our ability to respond to storms or widespread outages. We isolated employees into work groups and limited contact between those groups. This allowed us to have employees available to respond when needed. Our plans worked as we hoped. Throughout the waves of close contacts, quarantine or illness, we were able to continue to respond to any outages. In just one example, at the height of the COVID-19 impact to our employees, nearly everyone was able to respond when an ice storm caused nearly 2,000 member outages shortly after Christmas.

Despite the need to create work groups and minimize contact, our member service group continued to answer the calls for each new connection, our engineers put plans in place, and our lineworkers built the lines. In fact, we had more growth in total membership in 2020 than in the prior three years combined.

During unpredictable times, having a strong financial balance sheet provides increased stability and flexibility. The cooperative continued to pay down debt last year, and we remain on a path to continue

steady rates for our members in the forecast of the next two years. Through our escheats funding and the generosity of Lights-On contributions, we had the flexibility to help members who were financially impacted by last year's economic slowdown.

As we look toward the future, we will incorporate the lessons of 2020 into our eight-decade history of building this cooperative. The past year has shown the wisdom of the idea, noted by former President Dwight Eisenhower, that "Plans are worthless, but planning is everything." We continually prepare for the unexpected by strengthening and maintaining our infrastructure, having the tools and resources to respond quickly, and by empowering our employees to focus on the best interests of our members. Our plans may not unfold as we predict, but our planning process will make us better prepared for what does occur.

We feel privileged to work with a group of directors and employees who continually plan for the unknown and steadily improve the services to our members. We want you to be satisfied with the cooperative's steady progress and our preparation for what may come next, and to maintain your trust in how we provide your electric service. 🌟

Clarence B. Waltermire

Ruston Ogburn

Somerset Rural Electric Cooperative, Inc.

Members' Financial Report of 2020

Balance Sheets — DECEMBER 31, 2020 & 2019

	2020	2019		2020	2019
Assets			Equities and Liabilities		
Electric plant in service	\$ 57,183,730	\$ 55,224,996	Equities		
Construction work in progress	\$ 477,756	\$ 970,137	Memberships	\$ 109,040	\$ 112,460
Total Utility Plant	\$ 57,661,486	\$ 56,195,133	Patronage capital	\$ 30,468,307	\$ 27,661,182
Accumulated provision/depreciation	\$ (26,760,584)	\$ (25,799,154)	Other equities	\$ 1,477,119	\$ 1,404,730
Net Utility Plant	\$ 30,900,902	\$ 30,395,979	Total Members' Equities	\$ 32,054,466	\$ 29,178,372
Investments			Long-Term Liabilities		
Investments in associated organizations	\$ 821,702	\$ 845,098	CFC mortgage notes, less current portion	\$ 5,674,654	\$ 6,293,082
Patronage capital, due from other cooperatives	\$ 5,961,347	\$ 5,293,716	Post-retirement benefit obligation	\$ 684,915	\$ 691,132
Total Investments	\$ 6,783,049	\$ 6,138,814	Total Long-Term Liabilities	\$ 6,359,569	\$ 6,984,214
Current Assets			Current Liabilities		
Cash, general	\$ 739,533	\$ 1,507,975	Current portion CFC mortgage notes	\$ 618,427	\$ 625,994
Accounts receivable, consumers, net of accumulated provision for uncollectibles	\$ 1,924,714	\$ 1,736,395	Accounts payable - purchased power	\$ 1,062,770	\$ 1,145,127
Unbilled electric revenues	\$ 531,398	\$ 434,886	Accounts payable - other	\$ 257,035	\$ 979,399
Other receivables	\$ 926,530	\$ 378,602	Consumer deposits	\$ 1,229,035	\$ 1,017,010
Materials and supplies	\$ 687,590	\$ 727,782	Other current liabilities	\$ 413,428	\$ 438,345
Prepaid expenses	\$ 48,365	\$ 29,903	Deferred credits	\$ 189,224	\$ 802,210
Prepayments	\$ 54,259	\$ 65,032	Accumulated miscellaneous operating provision	\$ 677,012	\$ 641,636
Total Current Assets	\$ 4,912,389	\$ 4,880,575	Total Current Liabilities	\$ 4,446,931	\$ 5,649,721
Deferred Debit	\$ 264,626	\$ 396,939	Total Equities and Liabilities	\$ 42,860,966	\$ 41,812,307
Total Assets	<u>\$ 42,860,966</u>	<u>\$ 41,812,307</u>			

Statements of Revenue and Patronage Capital — FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019

	2020	2019		2020	2019
Operating Revenue			Operating margins before interest expense		
Sales of electric energy	\$ 21,543,085	\$ 21,964,952	Interest expense	\$ 2,796,528	\$ 1,983,779
Other operating revenue	\$ 1,720,912	\$ 1,210,845	Operating margins after interest expense	\$ 334,747	\$ 305,307
Total Operating Revenue	\$ 23,263,997	\$ 23,175,797	Nonoperating Margins		
Operating Expenses			Interest income	\$ 38,565	\$ 42,647
Cost of power	\$ 11,070,953	\$ 11,349,704	Gain (loss) on disposition of property	\$ 7,430	\$ 12,289
Distribution - operation	\$ 1,933,906	\$ 1,820,643	Total Nonoperating Margins	\$ 45,995	\$ 54,936
Distribution - maintenance	\$ 3,548,427	\$ 3,933,901	Capital Credits	\$ 850,296	\$ 216,917
Consumer accounts	\$ 801,084	\$ 908,862	Net Margins	\$ 3,358,072	\$ 1,950,325
Consumer service and information	\$ 247,487	\$ 285,891	Patronage Capital, Beginning of Year	\$ 27,661,182	\$ 28,906,125
Administrative and general	\$ 1,037,773	\$ 1,115,159	Retirement of Capital Credits	\$ (550,947)	\$ (3,195,268)
Depreciation and amortization	\$ 1,827,839	\$ 1,777,858	Patronage Capital, End of Year	\$ 30,468,307	\$ 27,661,182
Total Operating Expenses	<u>\$ 20,467,469</u>	<u>\$ 21,192,018</u>			

Note: The complete 2020 Audit Report, as audited by Beer Ream Co., is available for inspection at the offices of Somerset Rural Electric Cooperative, Inc.

GET SMART

MANAGE YOUR ACCOUNT AT YOUR CONVENIENCE



SmartHub offers members an electronic account management portal for on-line and smartphone users:

- On-line visit: www.somersetrec.com and click on the SmartHub link.
- Smartphone, tablet or mobile device: Visit your app store and download the SmartHub app. (You will need your account number to set up SmartHub)

Existing e-bill users will use the same user name and password.

- Learn more about your electric use
- Pay your bill on-the-go
- Report a power outage or emergency



SOMERSET REC'S WAYS TO PAY

- **From your desktop or mobile device:** Use SmartHub to review your bill and schedule payments from your checking account or credit/debit card. You can view your billing and payment history, report outages, or turn off copies of your paper bill - choose "My Profile" and "Update My Printed Bill Settings."

You can also set up recurring payments through your checking account or your credit/debit card. After adding your bank account or credit/debit card information for recurring payments, your bill amount will be withdrawn from your account on the 25th of each month.

- **Pay-by-phone:** To make a payment by telephone, call toll-free **877-833-4018**.
** Please have your account number ready.*
- **Pay-by-mail:** Send your bill stub along with a check or money order for the amount shown on the bill to:
Somerset REC
223 Industrial Park Road,
Somerset, PA 15501
- **Pay-in-person:** Make a payment at:
223 Industrial Park Road
Somerset, PA 15501.
Cash, check, money order or credit cards are accepted.



DRY HYDRANT: The Shanksville Volunteer Fire Department Station 627 recently installed a dry hydrant at Camp Allegheny, located along Route 30 near Buckstown, Pa. A dry hydrant is a PVC pipe that is permanently installed in a pond so it can provide quick access to a water supply in case of a fire emergency. The hydrants are referred to as "dry" because they are not pressurized like a fire hydrant in a town. They can deliver large quantities of water over a long period of time. Your cooperative wanted to help improve fire protection for their members who are served by rural fire companies by donating the materials needed to complete a dry hydrant installation. Many ponds throughout our service territory are equipped with dry hydrants installed by local fire companies.

Energy Efficiency Tip of the Month

A dirty filter causes your air conditioner to work harder than necessary.

Remember to change your air filter every month (or every two months) to prevent dust buildup, which can lead to even bigger problems.

Source:
www.energy.gov

