

Valley Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

Valley Rural Electric Cooperative, Inc.

10700 Fairgrounds Road
P.O. Box 477
Huntingdon, PA 16652-0477
814-643-2650
1-800-432-0680
www.valleyrec.com

BOARD OF DIRECTORS

James Stauffer
Chairman
Allegheny Director

Kevin States
Vice Chairman

Cindy Bigelow
Secretary

Robert Holmes
Treasurer

Leroy Barnes
PREA Director

Gregory Henry
Randall Huntsman
Linda McMath
Joanne Whitsel

Corporate Office Hours
Monday - Thursday
7 a.m. - 5:30 p.m.

Huntingdon/Martinsburg/Shade Gap Office Hours
Monday - Thursday
7 a.m. - 5:30 p.m.

Outages & Emergencies
1-800-432-0680

Executive Report

Valley REC on solid footing after year of COVID-19 challenges

The past year has been one of change and challenge for Valley Rural Electric Cooperative and businesses across the country. At the start of 2020, could anyone have foreseen the many ways COVID-19 would impact our work and home routines? Normal activities, from staff meetings and assisting consumers in the office to sending kids to school and getting the groceries, took on an added layer of complexity. A year after the pandemic began, we're proud to tell you that your electric distribution co-op remains ready to meet your energy needs. Our talented employee team continues to keep safe, affordable, and reliable electric service flowing to member homes, farms, businesses, and churches.

To mitigate the COVID-19 threat, we closed our offices to members and visitors for several weeks in the spring in accordance with the state's red-yellow-green guidelines. We also periodically used a staggered work schedule to lessen chances of COVID-19 spread among employees while ensuring adequate staffing to run our offices and stay prepared for emergencies. Our team continues to follow safety and social distancing protocols as we all look forward to life returning to normal.

Despite challenges, Valley REC had a solid year in 2020. Your co-op is on solid financial ground. Equity was at 48% of assets at the end of 2020, which is in line with our equity management plan. We returned more than \$2.2 million in patronage capital to eligible members and former members in December, our largest return ever. Over the years, we have returned more than \$31 million in patronage capital.

Again this past year, we were able to decrease our kilowatt-hour rate for members for one month. Valley's board of directors approved the purchased power adjustment for electricity used in December in hopes of providing members a COVID-19 relief package from their electric cooperative right after the holidays.

A highlight of 2020 was the addition of the Path Valley Substation to our distribution system. We energized the new facility in Peters Township, Franklin County, in October. The new substation replaces the aging Metal Substation, also along Route 75, in Metal Township and enhances service reliability for members along Route 75 and in the Cowan's Gap area of Fulton County.

The new site is much closer to its delivery point than the Metal Substation is to its power supply. The shorter distance lessens the likelihood of a private power company service disruption to the substation.

COVID-19 work restrictions delayed the project about four months. The substation was built at just below \$1 million. Initial projections showed the price tag could range as high as \$2 million, but the co-op looked for cost-saving measures throughout the project and used its own crews for much of the work, as opposed to hiring it out. Equipment at the Metal facility will be used as a switching station to further assist with system reliability.

On tap for this year is replacement of the aging wooden-frame Atkinson Mills Substation in Wayne Township, Mifflin County. It will be replaced this summer by an all-metal structure. In 2022, we plan to relocate and rebuild the Sinking Valley Substation in Tyrone Township, Blair County.

In 2020, members continued to stabilize future wholesale power costs by shifting summertime use to early mornings and evenings and participating in our demand response program. If you're already enrolled in the program, thank you.

We are continuing our aggressive approach to vegetation management. In 2020, we trimmed nearly 500 miles of rights-of-way. Our approach ensures our rights-of-way are trimmed entirely in a five-year span to lessen the likelihood of tree-related outages.

Keeping your electric bills affordable while providing the best possible service requires balance and foresight. Making it happen is our commitment to members. 



JAMES R. STAUFFER
Chairman of the Board



RICHARD S. BAUER
President & CEO

James R. Stauffer

R.S. Bauer



PHOTO BY DOUG ROLES

WELCOME: Justin Berrier, a Valley Rural Electric Cooperative staking engineer, directs a co-op member into the Huntingdon County fairgrounds for the cooperative's 2021 annual meeting. Valley used a drive-thru event this year to provide a safe and convenient way for members to attend the annual meeting and cast their ballots for the co-op's board of directors.

Valley REC holds COVID-19-safe drive-thru annual meeting at Huntingdon County fairgrounds

Three incumbent directors re-elected to board seats in uncontested races

By Doug Roles
Vice President of Member Services

VALLEY Rural Electric Cooperative members re-elected three incumbent directors to the co-op board during the April 9 annual meeting. In a first for the co-op, a drive-thru event was held at the Huntingdon County fairgrounds to minimize the likelihood of COVID-19 spread among participants.

Normally, the co-op holds its annual meeting in a high school auditorium, either in Huntingdon or Mount Union. But ongoing restrictions on the size of gatherings led the co-op to come up with an alternate event for 2021 after the pandemic caused the cancellation of the 2020 annual meeting.

“Our main concern is the safety of our members and employees and preventing further spread of the coronavi-

rus,” said Valley REC board Chairman James Stauffer of McVeytown, Mifflin County. “A drive-thru meeting provided a way to hold the membership meeting and election while minimizing the danger of COVID-19.”

More than 2,000 members and guests participated in this year's event and cast ballots to fill three seats on the nine-person board of directors that represents the cooperative's more than 22,000 consumers. There were no contested races this year. Those directors re-elected to three-year terms on the board are: Stauffer, District 2; Joanne Whitsel of Mapleton Depot, Huntingdon County, District 4; and Leroy Barnes of Portage, Cambria County, District 6.

Member-owned electric distribution cooperatives across the country have had to find creative ways to hold their annual membership meetings. Some have opted for web-based events while others have held drive-in or drive-thru meetings due to the pandemic.

Members could arrive at Valley's event anytime between 4-7 p.m. Motorists drove through two large tents

staffed by co-op employees. At the first tent, members registered and received Valley REC's 2020 Annual Report and a ballot. Those ballots were collected at a second tent where each membership received an umbrella. Participating members also received a \$25 bill credit. Additionally, cooperative staff collected for proper disposal spent compact fluorescent lightbulbs that members brought with them.

Valley REC's territory is divided into nine director districts with one member from each district comprising the co-op's board of directors. Normally, the co-op hosts nominating meetings in February in the three districts with a seat up for election. The names of members nominated at those meetings appear on the ballot for the election conducted at the annual meeting.

Due to ongoing COVID-19 restrictions, the co-op did not hold the usual fire hall dinner meetings in February. Instead, members in the three districts received a mailing explaining a signature process to have their names placed on the ballot. The three

incumbents were the only members to submit signature forms to the co-op.

“This year’s annual meeting certainly looked different from what we’ve done in the past,” Valley REC President & CEO Rich Bauer said. “COVID-19 has changed business as usual for electric co-ops just as it has for many other industries. We hope our members found this drive-thru event to be safe and convenient.”

Valley Rural Electric is a member-owned cooperative providing electric service to consumers in eight counties of south-central Pennsylvania, including Bedford, Blair, Centre, Franklin, Fulton, Huntingdon, Juniata and Mifflin. Incorporated on Nov. 1, 1938, Valley REC energized its first lines Nov. 17, 1939. 🌞

Relected incumbent board directors



James Stauffer
District 2



Joanne Whitsel
District 4



Leroy Barnes
District 6



ABOVE, LEFT: Valley REC Consumer Services Representative Terri Brumbaugh takes a registration card from one of the co-op’s members during the drive-thru annual meeting.

ABOVE: Valley Rural Electric Cooperative President & CEO Rich Bauer directs one of the cooperative’s members to the registration tent at the Huntingdon County fairgrounds. More than 1,000 memberships were represented at the event, which was designed to give consumers a way to attend the annual meeting while maintaining COVID-19 safety protocols.

LEFT: Valley Rural Electric Cooperative employees Alicia Henchey and Steve Gutshall talk to a co-op member at the Huntingdon County fairgrounds. Participants in the co-op’s 2021 drive-thru annual meeting received an umbrella and a \$25 bill credit.



PHOTO BY DOUG ROLES

2020 Financial Report

Statement of Operations		2020	2019
Income			
	Operating Revenue	37,060,281	36,754,443
	Interest Income	51,915	52,409
	Other non-operating income	1,438,316	868,140
	TOTAL INCOME	38,550,512	37,674,992
Expenses			
	Cost of Power Purchased	17,237,166	17,977,215
	Operations & Maintenance	5,384,087	5,292,985
	Member Acct. & Service	1,257,769	1,431,762
	Administrative & General	4,117,490	3,859,666
	Depreciation & Amortization	4,174,375	4,074,784
	Taxes	59,057	59,646
	Interest Expense	1,669,161	1,711,644
	Other Deductions	107,586	105,940
	TOTAL EXPENSES	34,006,691	34,513,642
	Net margins	4,543,821	3,161,350
Balance Sheet		2020	2019
Assets			
	Electric plant (less depreciation)	75,280,170	74,591,992
	Investments	11,222,365	10,232,266
	General Fund Cash & Working Capital	798,355	535,093
	Accounts Receivable	2,993,180	3,571,792
	Materials & Supplies	553,369	442,501
	Payments made in advance	108,714	110,094
	Other current & deferred assets	2,907,684	3,168,327
	TOTAL ASSETS	93,863,837	92,652,065
Equities			
	Patronage Capital and Margins	30,517,550	30,117,719
	Other equities	15,189,242	12,908,530
	TOTAL EQUITIES	45,706,792	43,026,249
Liabilities			
	Long-Term Debt	39,230,456	37,246,527
	Notes Payable	0	0
	Accounts Payable	1,697,339	2,382,294
	Member Deposit	474,475	452,470
	Other current & accrued liabilities	4,745,739	7,296,155
	Deferred credits and Regulatory Liabilities	2,009,036	2,248,370
	TOTAL LIABILITIES	48,157,045	49,625,816
	TOTAL EQUITIES & LIABILITIES	93,863,837	92,652,065

2020 Statistics

Kilowatt-hours Sold
282,551,851

Utility Plant Value
\$119,571,929

Miles of Line
2,762

Accounts Served
22,111

A lush soybean field basks in midsummer heat in Licking Creek Township, Fulton County.

The Co-op Dollar

Where It Comes From

Where It Goes

