

REA Energy Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey



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President & CEO

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Indiana Office: 7 a.m. - 3:30 p.m.
Ebensburg Office:
7 - 11 a.m. and 11:30 a.m. - 3:30 p.m.
Monday - Friday

From the President & CEO



Understanding energy demand and purchasing

By Chad Carrick

YOU MAY not think you need to have an understanding of energy demand and purchasing, but do you ever look at your energy bill and wonder what it all means? If your answer to that question is “yes,” then you might be interested to learn how demand impacts your utility bill.

To start, it is important to understand how electricity is made and how it is delivered to your home.


Before REA Energy can send electricity to your home, that electricity needs to be generated by a generation and transmission cooperative (G&T). Once the electricity has been generated, it travels over high-voltage transmission lines to substations, where the voltage is reduced to a safer level. The electricity then travels over distribution power lines and finds its way into your home. So, while you pay your bill to us — your electric distribution cooperative — we don’t actually generate the electricity you use. That is the job of the G&T.

We do help to determine how much electricity our members need to power their homes and businesses, and you play a big part in determining how much electricity the G&T needs to create in order to keep the lights on in our community. That is where these terms “consumption” and “demand” come in.

Consumption is measured in kilowatt-hours (kWh). Demand is measured in kilowatts (kW). A lightbulb

“consumes” a certain number of watts — let’s say 100 watts per hour. If that lightbulb stays on for 10 hours, it “demands” a certain number of kilowatts (in this case, 1 kW) from the generation station producing electricity. Now, if you turn on 10, 100-watt lightbulbs in your home for one hour, you are still consuming the same number of kW. However, you are placing a demand on the utility to have those kW available to you over the course of one hour, instead of 10. This requires the generation and transmission plant to produce more power in less time in order to meet your demand.

REA Energy purchases kilowatt-hours from the G&T based on the average demand of our members. Peak demand refers to the time of day when the demand for electricity is highest. This is typically during the evening when families return home from work or school, cook dinner, and use appliances the most. Using electricity during this peak demand period often costs more to both REA Energy and to our members.

Demand is the reason your electricity bill fluctuates from season to season and even year to year. Generating and distributing power can be a tricky and complicated business, but rest assured, REA Energy will always meet the necessary demand to provide safe, reliable, and affordable electricity to your family. 

Rural residents campaign to get electricity

The following story has been published a few times over the past several years, highlighting John E. George Sr.'s determination to bring electricity to his home. In celebration of the cooperative's 80th anniversary, we decided to publish an abbreviated version.

In 1939, the United States of America was just beginning to find its way out of the quagmire of the Great Depression. The average man still found work, cash and even food difficult to come by. The lack of government regulation still allowed some men to become very wealthy, building fortunes at the expense of others. Rural areas were especially hard hit and slow to recover.

One of the obstacles to economic recovery in rural areas was the lack of an electric distribution system. Electric companies of the time typically went from town to town building power lines along major highways and left the less-populated areas in the dark. This made economic sense to these companies. These big companies believed they could not make enough profit from sparsely populated rural areas to justify building power lines to them.

In the spring of 1939, Earl (John E. George Sr. was known to friends and neighbors by his middle name) contacted the local electric company, which at that time was the Pennsylvania Electric Company. Earl asked what it would cost to bring an electric line from his brother, Albert's, house, where the line ended. This was a distance of about 1,100 feet.

A representative from the Pennsylvania Electric Company came down, measured the distance, and told Earl that it would cost him \$471 to extend the line. This was terrible news.

In 1939, for the average man in rural Pennsylvania, \$471 was nearly a year's wages. Earl, who was crippled in a railroad accident and could only walk with the help of two canes cut from his hickory tree, was living off his railroad pension. People, especially many rural

people, just didn't have a lot of cash.

And Earl wasn't alone. Rural people all over Pennsylvania were running into the same problem. The big electric companies wanted an exorbitant amount of money to build lines to their rural homes, so some of them decided to do something about it.

About this time, when getting electricity seemed impossible, Earl heard that a cooperative in the town of Indiana was building lines to rural homes for only \$5. On June 3, Earl's son drove him to the Southwest Central Rural Electric Cooperative (SCREC) office in Indiana, where he was told that SCREC could build an electric line to his home if he and his neighbors wanted them to.

You see, SCREC was an electric cooperative started by rural people like Earl who wanted electricity and couldn't afford to pay the huge fees the big electric companies wanted to build lines to their homes.

Earl was sold on the idea of neighbors working with neighbors to bring electric to rural people who needed it.

On Aug. 24, Sterling Orange, the general manager of SCREC, visited Earl at his home to discuss the situation.

Sterling told Earl that in order for the cooperative to bring electricity to his home, they would have to build the lines from Indiana County across the Conemaugh River to Westmoreland County. Before the Rural Electric Administration (REA) in Washington,

D.C., would allow this, they had to know that enough of Earl's neighbors wanted electricity to make this undertaking worthwhile.

Earl spent that fall and winter and the next spring in a tireless effort to get as many people as possible to sign up for rural electric service.

Each household that signed up for service paid only a \$5 membership fee. This is the same \$5 membership fee that people still pay today when they become members of the cooperative.

On June 13, 1939, Earl received a letter from the REA, telling him that their representative, Mr. Coffinger, would be in New Alexandria on June 25. The purpose of his visit was to hold an open meeting with all interested people to discuss the pros and cons of receiving rural electric cooperative power. Earl sent notices to 75 people he had signed up, telling them about the REA meeting.

The night of the REA meeting in New Alexandria, people overwhelmingly elected to join the cooperative.

On Nov. 22, construction began. Men from SCREC were clearing brush, cutting trees and digging holes to set poles. They spent long, hard hours working without the benefit of modern power tools.

Finally on April 4, 1940, his journal says, "Electricity turned on." Earl and his neighbors rejoiced. Electricity had come. No more oil lamps, ice boxes, windmills or batteries.

And how do you think Earl and his family celebrated? They went shopping and bought a brand new refrigerator. Earl's first electric bill was only \$3.40. He was very pleased. Getting electricity was well worth all of his efforts.

If you have ever heard the old saying, "They don't build things the way they used to," it could be true. Earl's son, Earl Jr., tells us that before he unplugged it and stored it in his basement, that old 1940 refrigerator was still working after nearly 60 years. 🌞



PHOTO SOURCE: NRECA

Why should you attend the annual meeting?

WHY should you attend the REA Energy Cooperative Annual Meeting? The reasons that may come to mind first are entertainment, prizes and gifts. However, there is a much more important reason why members should attend the annual meeting. As a member of an electric cooperative, you have the unique opportunity to actually have a say in how the company that provides your electricity conducts its business.

Unlike an investor-owned utility, where one investor can own a controlling interest in the utility, REA Energy is owned by all of its members, and each member has equal say in how the cooperative conducts its business through the member-elected board of directors. With an investor-owned utility, the owners may not even receive electricity from the utility or even live in the United States. The vast majority of REA Energy's membership lives within our service territory.

The annual meeting is also a great opportunity for members to have interactive communication with the member-elected directors, management and employees. Interactive participation and communication ensures your cooperative is managed efficiently to provide the most reliable electricity at the lowest possible rates.

Member information and education

High member participation in cooperative programs like the load management program and the purchase of energy-efficient products and services from our subsidiary, REA Energy Services, has helped to keep our rates low. At the annual meeting, we will have a full display of all the

high-efficiency programs, products and services we offer. In addition, we will have information available to help our members make informed decisions on how to save money by reducing dependence on expensive fossil fuels. There will also be informative presentations on the financial status of your cooperative, storm restoration, system upgrades and safety.

Director election results

In 2017, the positions in board Districts 5 and 6 were up for re-election. This year, incumbents Robert Neese (5) and John Learn (6) were the only candidates to submit petitions for their respective district. According to REA Energy bylaws and confirmation by the Credentials and Elections Committee, they will serve another four-year term.

We look forward to seeing you at the annual meeting

All members will receive entrance gifts, a chance to win door prizes, safety and energy efficiency information, and entertainment by Zupe. The annual meeting will be held at the Kovalchick Convention Complex on Sept. 21, 2017, at 6:30 p.m. All members will receive an official invitation soon.

Don't miss the fun, gifts, information, entertainment and, most importantly, your chance to be heard. Take advantage of this unique opportunity where you actually have a voice in how your electric utility conducts its business by attending the annual meeting. We look forward to seeing you there! ☀

Annual meeting news

The 2017 REA Energy Cooperative Annual Meeting will be held at the Kovalchick Convention Complex, 711 Pratt Drive, Indiana, Pa., on Thursday, Sept. 21, 2017. Come and learn more about your cooperative!

All members who attend the meeting will receive a gift and will be eligible for door prizes. Doors open at 4:30 p.m. and entertainment begins at 5:15 p.m., followed by the business meeting at 6:30 p.m.

Please keep this annual meeting information in mind on Sept. 21:

- ▶ NO voting for directors will be held at the meeting.
- ▶ Only members residing in Districts 5 and 6 will receive election information for their district.
- ▶ Attendance gifts and door prizes for members will be given at the meeting; an admittance card will be mailed.
- ▶ Parking will be available in the lot behind the complex and in the lot to the left of the complex. REA employees will be present in each lot. A van will also be available for transportation to the building from the parking lots.

New face at REA Energy

Dawn Larch started in the position of member services representative on June 26, 2017. Some of her duties will include: welcoming and assisting customers, signing up new members, and processing service orders and payments.

Dawn has an associate degree in business management and a bachelor's degree in liberal studies.

In her free time, she enjoys spending time with her husband and three children, family and friends, reading, gardening, riding ATVs, outdoor activities, and vacationing at the beach.



Dawn Larch, Member Services Representative

REA Energy Services obtains elite status on Fujitsu sales and installations

Congratulations to our wholly owned subsidiary, REA Energy Services (REA ES), on recently achieving "Elite Status" on Fujitsu sales and installations.

What does this mean for REA ES customers (members and non-members)? As part of the Elite Status designation, our new Ductless Fujitsu Units are now backed by a **12-YEAR WARRANTY**.

A comfortable home is a happy home. That's why thousands of families choose Fujitsu General Halcyon™ Ductless Mini-Split Systems for whisper-quiet, energy-efficient heating and cooling for their homes. These sleek units require no ductwork and allow for room-by-room temperature control. And with available promotions, the savings start on day one.

Fujitsu General's ESP (energy-saving program) conserves energy even when users aren't paying attention, since motion sensors note when a room has been vacated. After 20 minutes, the set temperature is increased by 4F when in cooling mode, and reduced by 8F when heating. When the room is reoccupied, the ESP returns to the previously set operating mode.

Mini-split systems have little to no ducts, so they avoid the energy losses associated with the ductwork of central forced-air systems. Duct losses can account for more than 30 percent of energy consumption for space conditioning, especially if the ducts are in an unconditioned space such as an attic or basement.

Central air systems require expensive and intrusive ductwork. Any homeowner who has priced out having central air installed understands how prohibitively expensive it is.

Visit www.reaservices.com or call **724-349-4800, extension 2**, for your free quote today!

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REA Energy offices will be closed on Monday, Sept. 4, 2017, in observance of Labor Day. Power outages can be reported by calling 724-463-7273 or 800-332-7273.

Right-of-way management/facility construction news

REA Energy contractors will be completing tree-trimming work in the following areas in August:

- ▶ Contractor crews from Asplundh Tree Expert Co. will be trimming the rights of way of the Strongstown Substations areas, in addition to emergency maintenance areas. Crews from Penn Line Service will be trimming the right of way of the St. Augustine Substation area.

Notification of work will be made to members in the areas affected. Contractors will perform all right-of-way work per REA Energy specifications. All crews will carry cards and have magnets on their vehicles identifying them as REA Energy contractors.

If you have any questions, call 724-349-4800, or you can view the specifications online at: www.reaenergy.com.

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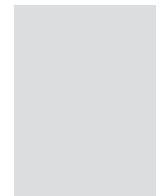
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