

REA Energy Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey



Chad Carrick
President & CEO

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- Erin Bauer**
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- Shane Cribbs**
Network & Systems Manager
- Dave Daugherty**
Safety & Right of Way Manager
- Jeff Dishong**
Ebensburg Operations Supervisor
- Lisa Gardill**
Accounting & Finance Supervisor
- Stacy Patterson-Hilliard, CCC**
Communications & Marketing Supervisor
- Local Pages Editor**
- Chris Masterson**
Reliability Supervisor
- Patrick McAndrew**
Manager of Engineering
- Bryon Roland**
Purchasing & Facilities Supervisor
- Brendan Short**
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- Renee Spalla**
Supervisor of Consumer Services
- Chris Weller**
Load Management Supervisor
- Outages & Emergencies**
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- Office Hours**
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



80 and still going strong

By Chad Carrick

THIS YEAR marks REA Energy's 80th anniversary. Today, the cooperative business model and spirit are as strong as they were back on March 4, 1937, when we were known as Southwest Central Rural Electric Cooperative Association.

We are very proud that we have been able to provide members with reliable electricity over the last 80 years at a low price. In fact, our kilowatt-hour (kWh) rate has remained the same since 1991, allowing us to have one of the lowest rates in the state. However, costs on nearly everything else have increased. These rising costs, coupled with declining revenue, necessitated a recent rate adjustment.

There are several reasons why our revenue decreased over the last few years. The number of members has declined over the last several years as shown in a graph on page 14b. With increased availability of energy-efficient appliances, members are using less electricity. At one point, our highest average residential use was 970 kWh/month; now that number is around 920 kWh/month.


Despite this, REA Energy is a financially strong cooperative able to meet mortgage requirements. The graph on page 14b highlights a revenue trend (green line) verses our expense trend (blue line), showing a decrease in revenue over the last three years. To hold off a rate adjustment as long as possible, you can be assured that the board, management and employees did everything right to keep our margins at the correct levels to meet our mortgage obligations and re-invest in our distribution system.

While we can hold costs down for a

while, eventually we must catch up on items such as tree trimming, reliability initiatives and technology. This includes maintenance on 57,000 utility poles and 2,700 miles of line. Our largest expenses are mostly fixed and/or uncontrollable variable costs. The largest controllable cost we have is right-of-way management or tree trimming, which was a major factor in the rate adjustment. Over the past 80 years, trees in rights-of-way slowly encroached toward our lines. Over the next five to six years, we are making the commitment to bring our rights-of-way back to their original condition — 15 feet of clearance on both sides of our poles or equipment.

When we decided to adjust our rates, we asked ourselves how we could make it easier for our residential consumers. First, we decided to keep our advertised rate the same (.088 cents per kWh), but to no longer offer a 5 percent discount rate, which now gives members the benefit of having 10 days to pay their bills. Additionally, for members who use automatic payment methods, the decision was made to withdraw payments at the end of the 10-day period instead of at the beginning.

This adjustment was one of the lowest in REA Energy history. This is thanks to sound direction and action from the board, employees, and management, and from our members who participate in the load management programs, such as our popular water heater program.

REA Energy would like to thank you for your understanding, and if you do have any questions, feel free to call the office at 724-349-4800. 

2017 area meetings

By Stacy Patterson-Hilliard, CCC, Communications & Marketing Supervisor

REA Energy held its yearly area meetings in March. This year, the cooperative held area meetings for members residing in board Districts 5 and 6 at the Kovalchick Convention Complex, with over 200 members attending.

Board Chairman Michael Bertolino welcomed members and talked about what it takes to be a board member.

Following the board address, President & CEO Chad Carrick gave a joint presentation updating members on the financial state of the cooperative, operations, new technology, REA Energy Services, Inc., and Touchstone Energy.

Members attending the meeting took advantage of the opportunity to look at displays of the products that our for-profit subsidiary, REA Energy Services, Inc., offers. This subsidiary was formed in 1999 to help offset cooperative costs, as well as give the members an opportunity to purchase quality products at excellent prices.

When members return their reservations to attend the area meeting, they have the opportunity to include a question on the slip; the following are some questions that were asked:

How can I get information on and the cost of installing a backup generator in case of outage?

To receive a free quote on the cost of installing a generator and more information, call our subsidiary, REA Energy

Services, Inc., at 724-349-4800, option 2. To learn more about the generators that REA Energy Services sells, visit www.reaservices.com.

How can I learn more about having a home energy audit performed?

Take advantage of the Home Energy Adventure tool that provides members with a fun and interactive way to test and improve energy efficiency knowledge. Visit EnergyAdventure.coop to start your journey today. To explore more detailed projects for upgrading the energy efficiency of your home, visit togetherwesave.coop.

Are all tree-trimming services subcontracted out to other agencies?

Yes, REA Energy's trained tree contractors are experienced with removing and trimming trees to industry standards. We offer competitive and safe tree maintenance services to all members and non-members.

Why does the "Budget Amount Monthly" not appear on the budget electric heat billing invoices?

This is in the process of being resolved.

Is there a site we can go to for tracking power outages when they occur?

The cooperative recently launched an online outage viewer on its webpage, www.reaenergy.com. Members can see the total number of outages, the number of outages per county, number of members affected and the cause, if known.

Why did we lose the discount rate period on the monthly bills?

Please refer to the article on the first page of this section for more information.

When did the monthly service charge start?

The service charge has been a part of members' bills for decades. This service charge is to cover the cost of providing electric service to our members, including the upkeep of the electrical system, such as lines, poles, meters and substations.

Why do we sometimes have instances of blinking lights?

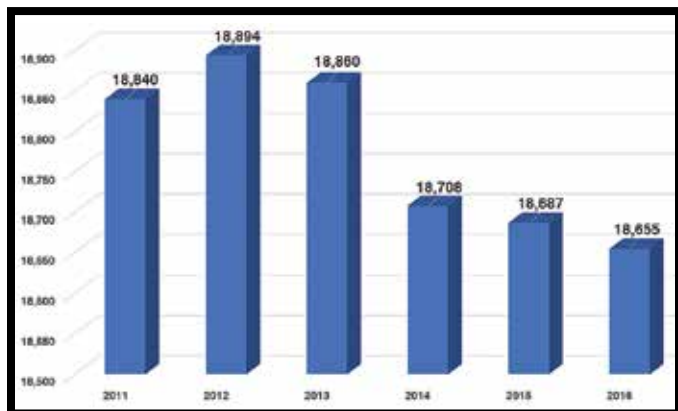
There are several reasons that may cause your service to blink. These include a tree on the line, failing equipment or an increase in electrical load from a commercial account. If a problem persists, please call 724-349-4800.

How can I pay my bill online?

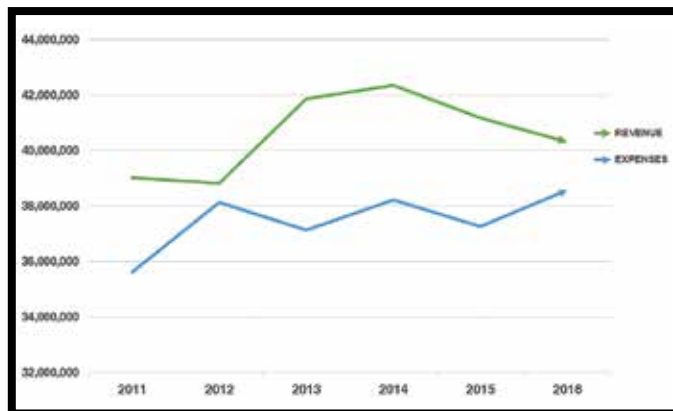
To sign up for the online member portal, visit www.reaenergy.com and click on the link for the member portal. From there, you will be redirected to a page that contains a link to click to "Sign Up." After filling in the information at the bottom of the page and submitting valid data, your User ID is created. You can then log in using your User ID.

The board would like to invite all members to join us at our 80th annual meeting on Thursday, Sept. 21, 2017, at the Kovalchick Convention Complex. While only members in Districts 5 and 6 are scheduled to vote by mail-in ballot this year, all members are invited to attend the annual meeting. Results of the election will be announced at the meeting. We hope to see you there. ☀

Number of Members: 2011-2016



Revenue Vs. Expenses: 2011-2016



Apples to apples

By Marissa Barnouski
Marketing Specialist

FOR MANY, it is hard to imagine a school with only one classroom or even a school with only one teacher for grades kindergarten through eight. In the Civil War era, Strongstown Schoolhouse was just that.

Strongstown Schoolhouse, a public school operating for approximately 100 years, had one classroom with one entrance in the front and chalkboards in the back. It contained rows of desks with chairs attached, where children sat to read and write. Throughout the years, education began to change, which led to the closure of the school in 1962. But the schoolhouse legacy lives on.

On Aug. 4, 1962, the Strongstown Homecoming and Historical Society was organized as a charitable non-profit organization. On March 2, 1964, the society purchased the schoolhouse for \$1. The society was made up of merely 50 volunteers, who were busy constantly putting events together. The volunteers quickly saw the potential of bringing the town together.

On any given weekend, you could count on a parade, car show, or market to attend with family, friends, and neighbors. It may be hard to believe, but there was a shuttle from Indiana and surrounding towns to the schoolhouse during these events. The volunteers included cooks, groundskeepers and drivers. They kept the spirit alive for years on end.



UPDATED BUILDING: The Strongstown Schoolhouse has a new American Standard heat pump unit.

Over the years, the schoolhouse grew to include a rental hall, kitchen and restrooms. While the activities slowed, the addition introduced a place to hold showers, parties, and meals. The rental hall is still available today for \$75 a day; it has a fully functioning kitchen, tables and chairs. These updates also brought an important and convenient attraction, voting polls. Qualified voters residing in the area can gather here and practice their right to vote.

The seasonal Community Market and Schoolhouse Kitchen have kept the society going in recent years. The market, which is kicking off its fourth year on June 22, 2017, will continue to operate on Thursdays from 3:30 p.m to 6:30 p.m. The Community Market is

“...this heat pump will allow the society to extend its seasons in upcoming years and create a 100 percent viable space.”

made up of local farmers and “back-yard gardeners” who provide fresh produce for shoppers. The Schoolhouse Kitchen is made up of volunteers busy cooking a hot meal for take-out or eating in on Thursday evenings.

With this success comes demand for continuous building upgrades. The society made the decision to strive to be available year-round for hall rentals and events, while keeping the historical appearance. Being a non-profit organization, they had a lot to consider when choosing a heating, ventilation and air-conditioning unit, including costs. REA Energy Services, Inc., was called on for a bid, and jumped at the opportunity. It is a wholly owned subsidiary of REA Energy Cooperative, a non-profit that understands the need to stay under budget. After a meeting with REA Energy Services HVAC and Energy Sales Supervisor Scott Meckley and Strongstown Homecoming and Historical Society President Russell (Butch) Rodkey, it



WELCOME: The Strongstown Schoolhouse is located at 14729 Route 422 E, Strongstown, Pa.

was clear this deal was a match made in heaven.

Scott provides an educational approach with an emphasis on heat pump technology when working with all prospective customers. After extensive research and number crunching, Scott and Butch agreed an American Standard high-efficiency heat pump was the right choice. With the society constantly hosting events, cooking, and working toward a full, museum-like restoration, one can imagine a lot of electricity is used. This heat pump will keep monthly costs low and within reason.

The two worked out scheduling for the installation and two load management technicians, Jason and Mike, were eager to begin. In early April, the crew broke ground and installed the American Standard unit. Throughout the installation, Butch told Scott, Jason, and Mike stories of the schoolhouse and its previous success. But he also told them what he hopes for in the future and how this HVAC system will help them reach those goals.

With busy polling activities in November and the market traffic growing in the summer, this heat pump will allow the society to extend its seasons and create a 100 percent useable space.

Butch expressed how great the REA Energy Services guys were to work with, and they could not have thanked him more for his insight on the local history. It is safe to say we at REA Energy Cooperative and REA Energy Services will be enjoying a hot meal in the Schoolhouse Kitchen soon with our new friend, Butch, and the rest of the Strongstown community. ☀

Visit www.reaservices.com!

REA Energy Cooperative, Inc., has a wholly owned subsidiary called REA Energy Services.

In 1999, we started the subsidiary to offer our membership a growing number of innovative new products and services available to both members and non-members. This name helps to keep alive the spirit of improving the living standards among rural residents as first embodied in the original Rural Electrification Administration established on May 11, 1935. REA Energy Services will continue to expand its additional products and services and sought by our members. Visit this website regularly to find out about these new products and services.



724-349-4800 option 2 | reaservices@reaservices.com
75 Airport Rd
Indiana, PA 15701

Right-of-way management/facility construction news

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

- ▶ Contractor crews from Asplundh Tree Expert Co. will be trimming the rights-of-way of the Strongstown Substation area, 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 using our automated phone system to members in the areas affected.

Contractors will perform all right-of-way work per REA Energy specifications. If you have any questions, call 724-349-4800, or you can view the specifications online at: www.reaenergy.com. All crews will carry cards and have magnets on their vehicles identifying them as REA Energy contractors.

ELECTRIC CO-OPS are committed to keeping members and employees SAFE.

May is National Electrical Safety Month

plug into safety

Welcome to our newest participating business!

Yanov's Bait and Tackle – 239 Munster Road, Portage, Pa. 15946, 814-736-8431, www.yanovsbaitandtackle.com – Live bait and tackle shop (plus a 24/7 live bait porch honor system when we are not there). 5 percent off our already low prices (tackle only). Co-op Connections Card must be shown at time of purchase.

REA Energy offices will be closed on Monday, May 29, 2017, in observance of Memorial Day. Power outages can be reported by calling 724-463-7273 or 800-332-7273.

Your Board of Directors



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Chairman
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J.R. "Rick" Shope
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