

REA Energy Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey



Chad Carrick
President & CEO

REA Energy Cooperative, Inc.
75 Airport Road • P.O. Box 70
Indiana, PA 15701-0070
724-349-4800 • 800-211-5667

Ebensburg District Office
127 Municipal Road
Ebensburg, PA 15931
814-472-8570

Website: www.reaenergy.com
Email: reaenergy@reaenergy.com

Staff

- Barry Baker**
Indiana Operations Manager
- Erin Bauer**
ACRE Coordinator
- Shane Cribbs**
Network & Systems Manager
- Dave Daugherty**
Safety & Right of Way Manager
- Jeff Dishong**
Ebensburg Operations Supervisor
- Lisa Gardill**
Accounting & Finance Manager
- Stacy Patterson-Hilliard, CCC**
Communications & Marketing Supervisor
- Local Pages Editor**
- Chris Masterson**
Reliability Supervisor
- Patrick McAndrew**
Manager of Engineering
- Bryon Roland**
Purchasing & Facilities Manager
- Brendan Short**
Right-of-Way/Forestry Supervisor
- Renee Spalla**
Supervisor of Consumer Services
- Chris Weller**
Load Management Supervisor
- Outages & Emergencies**
1-800-332-7273
724-463-7273
- 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

Guest Column



Do you have a question for the co-op?

By Stacy Patterson-Hilliard, CCC

Communications & Marketing Supervisor

REA ENERGY held its annual meeting on Sept. 20 at the Kovalchick Center in Indiana. Prior to the start of the business meeting, members had the opportunity to submit a question to management for discussion during the question-and-answer session. So that all members can learn more, here are some of the questions:

I want to pay my bill online. Is there a fee to do this?

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. There are no additional fees to pay your bill online.

What is the status of offering internet service to rural areas?

REA Energy is always looking for ways to provide more value-added services to our members. We are currently performing feasibility studies for offering broadband service to our members. We will continue to inform members of any new developments as they come up, so stay tuned for more information.

If my power goes out and my neighbor calls, should I call, too?

Members should always report any power outages to the cooperative. Our system is able to "predict" the approximate location where the cause of the outage is based off of the addresses of members who call in to report it.

What is the service charge?

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 did "distribution maintenance" costs increase so much in the last few years?

The increase in distribution maintenance was due to additional right-of-way maintenance. This increase of work was necessary to return the projects to the original specifications and time frame for completion.

How do I contact your subsidiary?

To speak to an employee about our subsidiary, call REA Energy Services at 724-349-4800, option 2. To learn more about all the products and services that REA Energy Services offers, visit www.reaservices.com.

If you have a question or concern for the cooperative, please call us at 724-349-4800 or 800-211-5667. You can also submit questions via the Contact Us link at www.reaenergy.com. 

REA Energy reports good year at annual meeting

Stacy Hilliard, CCC, *Communications & Marketing Supervisor*

REA ENERGY Cooperative, Inc. (REA) held its 81st annual meeting on Thursday, Sept. 20, at the Kovalchick Convention and Athletic Complex, Indiana, Pa. Nearly 300 members, their families and guests attended the meeting.

The Credentials and Elections Committee, which registered members for the meeting, included: Virginia Farabaugh (chairman), John T. (Tom) Brady, R. Michael Keith, Shelby Miller, Dr. Laura Rhodes, Richard Tronzo, C. LeeRoy Vatter and Michael Wirfel.

Election results

This year, board Districts 7, 8, and 9 were up for regular election, and in District 4, a special election was held. In District 7, incumbent Anthony Enciso and in District 8, incumbent Wayne Farabaugh both ran unopposed and were declared re-elected for their respective districts. In District 9 elections, Sandra Dill was elected over Richard Knapko.

The election for District 4 was to elect a director to serve out the balance of the current term (two years). Earlier this year, Howard Terndrup was appointed to serve on an interim basis. In this election, he was elected over

challenger Thomas Aurandt.

Cooperative updates

Board Chairman Michael Bertolino and President & CEO Chad Carrick gave presentations.

Bertolino highlighted the Rochdale Principle known as “Cooperation Among Cooperatives.” An example of this is REA Energy and Allied Milk Producers. REA allows Allied to use its facilities during its butter and cheese sales, and Allied returned the favor by providing the ice cream treat for the annual meeting. He also discussed the importance of strategic planning for the cooperative’s future.

He then honored Herman Blakley, who retired from the board after 15 years of service. During his tenure, Blakley obtained various certifications from the National Rural Electric Cooperative Association (NRECA), and served as board chairman for several years. Bertolino presented a plaque to two of Blakley’s children, Deborah and Jim, as a thank you for his years of service.

Carrick reviewed the Rochdale Cooperative Principles, highlighting each one. He stated that at least one of the principles is read before each board meeting to remind board members they are working to serve the cooperative’s members.

Carrick then shifted the focus of the presentation to capital credits, stating capital credits are simply the margins the cooperative has at the end of each year after expenses are paid. The margins are then assigned to each member who participated in the generation of those margins, based on the amount of electricity a member used. These credits are considered equity in the cooperative and are very similar to what for-profit companies call retained earnings.

To further explain this, he compared capital credits to the three legs of a stool that together help achieve the equity target: growth in assets, ability to create margins, and retiring (or paying) capital credits. He then discussed cooperative financials for the past several years and how they tie in with margins and capital credits.

Tying it all together, Carrick announced the cooperative will be paying all capital credits through 1978.

The following reasons contributed to that decision:

- The cooperative is in a good cash position,
- The board has approved comprehensive Equity, Cash Management and Capital Credit Plans to achieve these goals, and
- There are no planned 2019 rate increases.

Carrick went on to discuss how REA Energy is a member of a number of other cooperatives, including Harrisburg-based Allegheny Electric Cooperative, Inc., our wholesale power provider. Allegheny gives incentives to REA Energy to reduce demand for electricity during peak times (hot summer days and cold winter days) when electricity is the most expensive.

To help offset costs, REA Energy has developed member-only programs that benefit members who participate in the program and reduce wholesale power costs for everyone. These include the water heater program, a peak load-reducing heating program, member assistance programs that can reduce collections and educate members on



CO-OP LEADERSHIP: Front row from left: Rick Shope, Sandra Dill (elected to District 9), Sam Eckenrod, and John Learn; and back row, from left: Wayne Farabaugh, vice chairman (re-elected to District 8); Robert Neese, secretary/treasurer; Michael Bertolino, chairman; Anthony Enciso (re-elected to District 7); Chad Carrick, president & CEO; and Howard Terndrup (elected to District 4).

use, and energy consultations.

He also highlighted the cooperative's subsidiary, REA Energy Services, which is available for both members and non-members to use. The products and services the subsidiary offers save money for members through decreased energy consumption (because they're so efficient), which also reduces our wholesale power bill. Additionally, all profits from the subsidiary flow back to the cooperative to offset expenses.

He concluded by stating that as a member of a cooperative, you vote for your directors, and everyone can appreciate the power of a vote. By going to the website, vote.coop, members could sign up to register to vote this November and make sure rural America always has a voice.

Other business

Mary Ellen Lohr, a student from Penns Manor High School, recapped her experiences on the National Rural Electric Cooperative Association (NRECA) 2018 Rural Electric Youth Tour. Mary Ellen was one of 11 students from the REA Energy service territory that spent a week in Washington, D.C., with more than 1,800 students from across the country. Additionally, Mary Ellen was selected to represent Pennsylvania at the national level as a member of the Youth Leadership Council.

Guest speaker Stephen Brame, vice president – public affairs & member services for the Pennsylvania Rural Electric Association and Allegheny Electric Cooperative, Inc., discussed

the sources of the power we receive through Allegheny and the community feel of the cooperative-based model.

Some lucky members won one of several door prizes including the grand prize — a large screen television. The winners of two \$100 checks for participating in Operation Round-Up® were Christopher and Susan Ballas and Scot Coble.

Immediately following the business meeting, the board held a reorganization meeting and elected officers for 2018-2019. They are: Bertolino, chairman; Wayne Farabaugh, vice chairman; and Robert Neese, secretary/treasurer. Rick Shope remained the PREA director as part of a two-year term and Robert Neese was elected as the Allegheny director. ⚡



PHOTO BY PENNSYLVANIA RURAL ELECTRIC ASSOCIATION

DETERMINATION OF A QUORUM: Members present their quorum cards during the business meeting to validate the proceedings of the meeting.



YOUTH TOUR: 2018 Youth Tour delegates include, from left: Leah Farabaugh, Julie Pittman, Jillian Barger, Mary Ellen Lohr, Haiden Long and Ethan Brewer.



HONORING RETIRING BOARD MEMBER: President & CEO Chad Carrick, center, addresses the crowd as he honors former board member Herman Blakley. Chairman Michael Bertolino, left, and Blakley's son, Jim, look on. PHOTO BY PENNSYLVANIA RURAL ELECTRIC ASSOCIATION



GRAND PRIZE WINNERS: Members who attend the annual meeting have the chance to win the grand prize, a 55-inch Philips 4K HD TV. Join us next year; you could be this lucky!

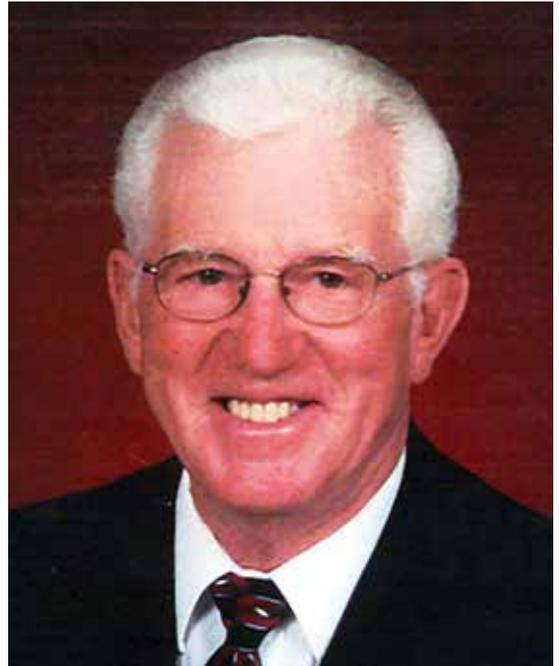
Director Herm Blakley retires after 15 years of service

District 9 Director Herman (Herm) Blakley recently retired from the REA Energy Cooperative Board of Directors after 15 years of service.

Blakley was elected to the board in 2003. During his tenure, he served as board president for several years. He received his Credentialed Cooperative Director certification, Board Leadership Certificate and Director Gold Credential from the National Rural Electric Cooperative Association. He has also served on the board of directors for Allegheny Electric Cooperative, Inc., in Harrisburg, as chairman of the Renewable Energy Committee, as chairman of the Legal, Regulatory Ethics, and Policy Committee, and on the ACRE Committee in Harrisburg.

Blakley and his wife, Jean, live in the Shelocta area and are the parents of two daughters, Deborah and Linda, two sons, Herman and Jim, and have seven grandchildren. He attended Elders Ridge High School. He also completed a tour during the Korean War, serving in the United States Army. To show the cooperative's appreciation to Blakley, the cooperative presented him a plaque honoring his years of service.

Thank you, Herm, for your service and dedication to REA Energy Cooperative, Inc. and its members. ☀



CO-OP CONNECTIONS MEMBER
 Petite Pet Grooming – 291 Stallbark Road, Armagh, PA 15920, 814-591-9958, Facebook: Search for Petite Pet Grooming – Offer - \$5 off a full groom.

REA Energy will be closed Monday, November 12, 2018, in observance of Veterans Day and Thursday, November 22, 2018, in observance of Thanksgiving Day.

Right-of-way management/facility construction news

REA Energy contractors will be completing tree-trimming work in the following areas for the month of November:

- ▶ Contractor crews from Penn Line Tree Service will be trimming the rights-of-way of the Uniontown and Indiana North Substation area, in addition to emergency maintenance areas.

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 contractor employees will carry employee identification cards and their vehicles will display their company name.

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

Your Board of Directors



REA Energy is an equal opportunity provider and employer.