

New Enterprise Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

3596 Brumbaugh Road
New Enterprise, PA 16664-8814
814-766-3221 • 1-800-270-3177
FAX: 814-766-3319

Website: www.newenterpriserec.com

BOARD OF DIRECTORS

Leroy D. Walls
President

Timothy Newman
Vice President

David Bequeath
Secretary

Merle Helsel
Asst. Secretary

Curtis Brant
Treasurer

Brian McCoy
Mark Swope

Office Hours
Monday through Friday
7 a.m. - 3:30 p.m.

Emergency Outage Number
814-766-3221
1-800-270-3177

Annual meeting recap

By Mark Morrison



Mark Morrison
General Manager/CEO



Leroy Walls
President

THE BOARD of directors of New Enterprise Rural Electric Cooperative (REC) is determined to deliver safe, reliable and competitively priced electric service to its members. This year, the board wanted management to focus on a few initiatives: cooperative distribution asset management, enhancement of delivery points and an evaluation of future power supply.

Future power supply is very important to us here at the cooperative and at Allegheny Electric Cooperative, Inc. (Allegheny) and the Pennsylvania Rural Electric Association (PREA). As you may recall from years past, these two organizations are based in Harrisburg, where Allegheny serves as our power supplier, and PREA, our member services and legislative association, gives us a voice in government policy that affects the power industry. Tim Newman, New Enterprise REC Board vice president, serves as treasurer of the Allegheny board, and Leroy Walls, president of the New Enterprise REC Board, is chairman of the PREA board.

These two director positions give New Enterprise REC a voice in power supply and legislative efforts that affect our power supply here at home.

The board has also been focused on two other areas. The first is cooperative policy and bylaws, and the second is director education. Your board has been reviewing cooperative policy and bylaws and is aligning them with cooperative and company philosophies that reinforce our values and our mission to serve the membership with safe, reliable, and affordable electricity.

Through this process, the board has also placed professional and industry-specific education requirements on the directors to enhance their service to the membership. This past year, the board worked to institute a Credentialed Cooperative Director certification requirement for all directors. Through this program, sponsored by the National Rural Electric Association, directors will gain
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**New Enterprise Rural Electric Cooperative, Inc.
Balance Sheet ending December 31, 2021**

	2020	2021
Total Utility Plant in Service	7,121,946	9,044,113
Accumulated Depreciation	5,479,691	5,514,400
Net Utility Plant	1,642,255	3,529,713
Cash - General Funds	867,845	118,741
Temporary Investments	582,277	307,172
Accounts Receivable - Energy Sales	869,993	854,945
Accounts Receivable - Other	1,928	1,045
Material and Supplies - Electric & Other	341,531	400,716
Other Current and Accrued Assets	31,919	35,087
Total Current and Accrued Assets	2,695,493	1,717,706
Other Deferred Debits	91,290	45,645
Total Assets and Other Debits	4,429,038	5,293,064
Liabilities and Other Credits		
Memberships	14,710	14,745
Patronage Capital	3,478,386	4,604,795
Total Margins and Equities	3,493,096	4,619,540
Accounts Payable	935,942	672,685
Total Liabilities & Other Credits	4,429,038	5,292,225

New Enterprise Rural Electric Cooperative, Inc. Income Statement ending December 31, 2021

	2020	2021
Operating Revenue and Patronage Capital	7,304,032	7,947,640
Power Production Expense		
Cost of Purchased Power	3,610,716	4,085,991
Distribution Expense - Operation	2,034,916	2,090,124
Distribution Expense - Maintenance	509,429	448,406
Consumer Accounts Expense	4,359	2,841
Customer Service and Informational Expense	25,812	19,144
Sales Expense	20,494	15,441
Administrative and General Expense	298,117	291,639
Total Operation & Maintenance Expense	6,503,843	6,953,586
Depreciation & Amortization Expense	200,240	183,294
Tax Expense - Property & Gross Receipts	8,756	9,004
Interest on Long-Term Debt	5,966	4,528
Other Deductions	66,398	62,508
Total Cost of Electric Service	6,785,203	7,212,920
Patronage Capital & Operating Margins	518,829	734,720
Non Operating Margins - Interest	16,966	7,770
Allowance for Funds Used During Construction		
Income (Loss) from Equity Investments		
Non Operating Margins - Other	188,101	446,095
Generation & Transmission Capital Credits	46,530	55,755
Other Capital Credits & Patronage Dividends	5,774	7,647
Extraordinary Items		37,777
Patronage Capital or Margins	776,200	1,289,764

Annual meeting recap

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a broad knowledge in several sectors of our industry to fulfill their fiduciary duty to the cooperative.

A few years back, I mentioned the need to look at our aging substation structures. I am happy to announce in 2022 we completed construction of our Waterfall substation. Over the past few years, we have been purchasing equipment and setting money aside in preparation for this project. The new steel structure replaced the aging wooden pole framing and will increase capacity and backfeed capabilities to those served by the substation. We managed to complete this project without borrowing any funds.

One thing that is always on our mind at the cooperative is rates. I do not have to tell you that every part of our life has been affected by quickly rising costs, especially over the past 15 months. The cost of electric generation and transmission is rising, too. Energy policy set by government is one catalyst, creating an environment for increasing energy costs. Allegheny and PREA are working with the power market and government to manage cooperative power supply availability and pricing beyond 2023. Cooperative distribution costs are being impacted as well by the supply and availability of goods and fuel, delivery fees, and the commodity prices of metals and the equipment we use every day. Your electric cooperative holds our local power supply and cost interests close to home. We live within our means and make every effort to run this business as efficiently as possible to get the most value for our members.

In the short term, the cooperative is not planning any rate changes for the remainder of 2022. The cooperative is currently studying our system energy use and our current rate classifications in preparation for any changes to wholesale rates that could affect us in the future.

Feel free to stop in or give us a call and let us know how we are doing. ☼

YOU CAN HELP REDUCE FUTURE POWER COSTS.

Our future electric rates are partially based on how much power you use on hot, humid weekdays between 1 p.m. and 6 p.m. this summer. When you hear an announcement from your local electric cooperative about doing the "Electric Shift," try these simple steps:

CLIMATE CONTROL



- Set air conditioners at 78 degrees or use fans instead.
- Close curtains and blinds to keep things cooler in your home.

USE OF APPLIANCES



- Operate washers, dryers, dishwashers, stoves and other major appliances in early morning or evening.
- Minimize the number of times you open your refrigerator and freezer.
- Cook with an outdoor grill or a microwave oven.

FLIP THE SWITCH AND UNPLUG



- Turn off any non-essential lights.
- Convert to LED light bulbs.
- Unplug devices from their respective outlets when not in use.

OUTDOOR TIPS



- Run pool pumps at night.
- Plant plants on the south and west sides of your house - it can provide much needed shade during the hottest hours of the day.
- Ditch the dryer and use a clothesline.

YOUR LOCAL TRUSTED ENERGY ADVISOR.

A Touchstone Energy® Cooperative

