

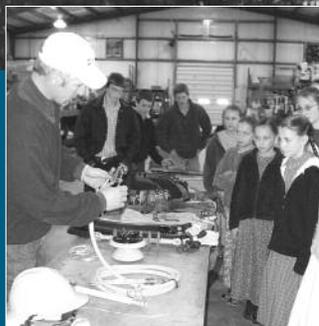
Valley Rural Electric Cooperative, Inc.

Valley News

May | June 2011

Volume 68 | Issue 3

Responsible &
Accountable



Valley Rural Electric
Cooperative, Inc.

**2010 ANNUAL
REPORT**

Learn how to save energy at www.valleyrec.com





ON BEHALF OF the board of directors and employees at Valley Rural Electric Cooperative, it is indeed our pleasure to report on the status of your cooperative. In this report, we will highlight some of the co-op's achievements during 2010. We hope you feel privileged to be a member and part-owner of this utility, as it continues to hold a strong financial position while providing unsurpassed customer service at reasonable rates.

The co-op maintains a solid percentage of member equity as recommended in our equity management plan. At the end of calendar year 2010, member equity as a percentage of total assets was 41.9 percent.

Last year, nearly \$913,000 in patronage capital was returned to eligible members and former members of the cooperative. The financial stability of the co-op is demonstrated by our ability to retire capital credits while supporting operations and maintaining equity. Nearly \$18 million in capital credits has been given back to consumers over the years and we plan to continue that course into the foreseeable future.

In the area of technology, we finished a complete digital system inventory of all the co-op's power lines and equipment in 2010. We also continued moving toward our goal of upgrading to an automated meter reading -- or AMR -- system. This will enable us to troubleshoot outages more quickly ... and members will no longer have to read their meters. So far, we've activated about 9,000 meters, which is more than 40 percent of all the devices on our system. We anticipate that every member on our lines should have an automated meter activated at their property by the end of 2012.

We also continue to update our load management system, which is used to turn off electric water heaters and other heating and cooling systems during periods of peak demand. The new equipment is allowing us to take advantage of the latest innovations in demand-side management. Demand response is an important resource to use in controlling electric rates because it cuts down on costly demand charges and reduces the need for new generating capacity.

With regard to customer service, the co-op now offers credit card and online bill payment options as well as online access to account history information. In the near future, members will also be able to pay their electric bills via telephone.

As we are sure you're aware, technology continues to play a vital role in our industry. In the early days of the



JAMES R. STAUFFER
Chairman of the Board



WAYNE F. MILLER
President & CEO

co-op, we maintained only a few hundred miles of line and served just over 1,000 members. Now we maintain more than 2,900 miles and serve nearly 22,000. Yet we employ only 63 personnel -- roughly the same number of people as we did when we started. Technology helps us keep our workforce lean and save money.

Keeping trees trimmed along Valley's 2,900 miles of electric distribution line is one of our most challenging and costly maintenance programs. More than 413 miles of line were trimmed in 2010 at a cost of \$1.2 million. Valley's five-year right-of-way maintenance cycle helps the co-op minimize costly and inconvenient outages and reduces energy losses, allowing our distribution system to operate more efficiently. In fact, we estimate that this program saves members more than \$350,000 annually in wholesale power costs.

Co-op personnel focused on several system improvement projects in 2010. In fact, more than \$5.6 million was allocated for various work plan obligations.

Last year, 13.8 miles of new distribution line was constructed and 215 new electric services were brought on line.

We upgraded one mile of three-phase underground line on the east feeder of Miller Substation. Plans were made in 2010 to begin upgrading the north feeder of Piney Ridge Substation and the Route 30 Substation; work will begin on those projects this year. We are also upgrading the underground wire in the Maple Hollow and Willowbrook housing developments.

Through innovation and dedication, we are working to control costs and keep your electric bills affordable while providing the best possible quality of service. We will keep putting you, our members, first. And no matter what the future brings, one thing is certain: We're looking out for you.

JAMES R. STAUFFER, Chairman of the Board

WAYNE F. MILLER, President & CEO

Home Energy Audits



Members can gain valuable insight into their energy consumption by using the cooperative's free, online, interactive home energy application. It features energy use calculators, a library of energy information and a section for children. Access it by clicking on the "Save Energy" tab at www.valleyrec.com.



The co-op employs a full-time energy specialist who is available to answer questions about energy use and who also performs in-home energy audits when appropriate.

New Bill Payment Options

Valley REC recently launched an online bill presentation and payment service called E-Bill. Members may now access account history and pay electric bills online. To access E-Bill, click on "View & Pay Bill" at www.valleyrec.com.

In addition, members may now pay by credit or debit card at any co-op office location. Or they can have the amount of their electric bill deducted automatically from a checking or savings account each month through the co-op's *ElectraPay* program.

Energy Management



Cooperatives believe that the cleanest kilowatt-hour is the one that is never generated. Holding to this principle, Pennsylvania and New Jersey electric cooperatives launched the Coordinated Load Management System in 1986. This demand response network, whose participants include nearly 25 percent of the cooperatives' residential consumers, currently boasts the capability to reduce about 8 to 10 percent of the entire cooperative system's peak load. Since the program's inception, this has resulted in power cost savings of close to \$90 million statewide for cooperative members.

Water Heater Rebate

A rebate of up to \$3 per gallon is available to members who purchase a new electric water heater. The tank's energy factor must be 0.9 or higher and the member must agree to participate in demand response.

Members who agree to participate in this worthwhile efficiency program receive a one-time \$25 credit on their electric bill.

Additional Programs & Services

- Members Helping Members assistance program
- Energy Resources Conservation loan program
- Smart surge protector sales
- CFL disposal (offered at all co-op office locations)

For more information on these and more, visit www.valleyrec.com and click the "Programs & Services" link.



Education

Valley Rural Electric Cooperative, Inc.

brighter future

Scholarship Program

Valley REC awards up to 25 \$1,000 scholarships each year to eligible students who apply. The Brighter Future Scholarship Program is funded with unclaimed capital credits refunds that previously had to be turned over to the state. Thanks to the efforts of the co-op's political advocates, those funds can now be kept in the local community. The Pennsylvania Rural Electric Association offers two different scholarship programs as well. Visit the Scholarships page at www.valleyrec.com for more information.



Valley offers FREE presentations about electrical safety, energy conservation and environmental issues to schools and civic organizations.

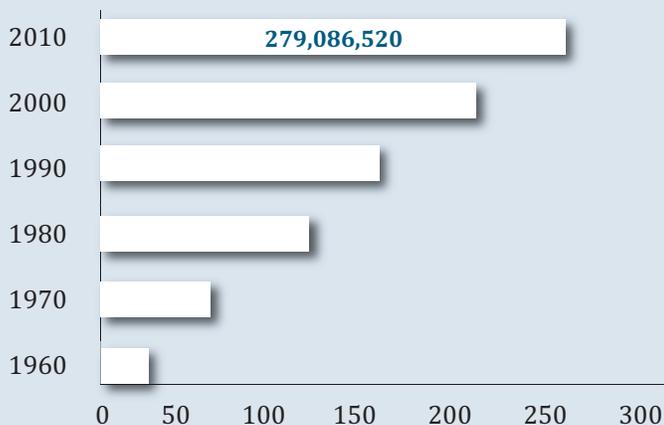
Each year, Valley sponsors local high school juniors and seniors to attend the national Rural Electric Youth Tour in Washington, D.C. While on the fun-filled, all-expenses-paid trip, students tour national monuments and memorials, meet with members of Congress, visit the National Zoo and Smithsonian museums and more!



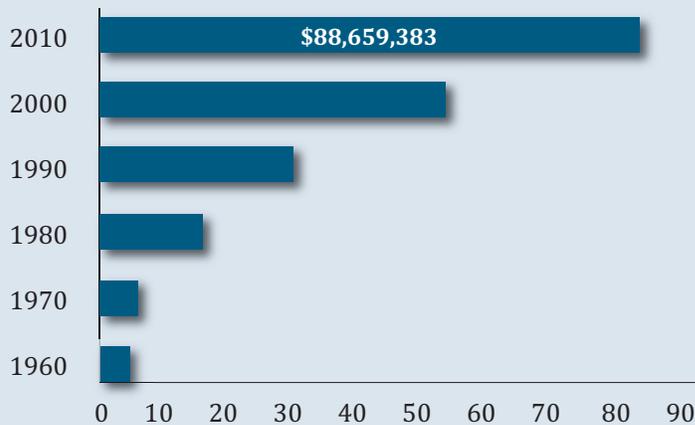
2010 FINANCIAL REPORT

Statement of Operations		2010	2009
Income			
Operating Revenue		\$30,271,753	\$29,662,766
Interest Income		67,799	111,301
Other Non-operating Income		809,706	738,732
TOTAL INCOME		31,149,258	30,512,799
Expenses			
Cost of Power Purchased		17,224,282	16,114,439
Operations & Maintenance		3,842,244	4,391,798
Member Accounts & Service		1,382,700	1,247,795
Administrative & General		2,475,807	2,405,289
Depreciation & Amortization		2,495,461	2,378,453
Taxes		45,408	43,039
Interest Expense		1,769,960	1,749,463
TOTAL EXPENSES		29,235,862	28,330,276
NET MARGINS		\$ 1,913,396	\$ 2,182,523
Balance Sheet		2010	2009
Assets			
Electric Plant (less depreciation)		\$61,874,005	\$60,089,361
Investments		7,972,551	6,882,101
General Fund Cash & Working Capital		1,323,558	563,639
Accounts Receivable		616,890	412,424
Materials & Supplies		572,005	564,044
Payments Made in Advance		85,062	72,499
Other Current & Deferred Assets		2,914,242	2,081,296
TOTAL ASSETS		75,358,313	70,665,364
Equity			
Patronage Capital & Margins		29,668,707	28,668,076
Other Equities		1,917,923	1,901,332
TOTAL EQUITIES		31,586,630	30,569,408
Liabilities			
Long-term Debt		35,346,253	31,947,399
Notes Payable		0	1,194,500
Accounts Payable		1,847,411	1,635,807
Member Deposits		337,852	359,783
Other Current & Accrued Liabilities		3,605,200	3,481,539
Deferred Credits & Regulatory Liabilities		2,634,967	1,476,928
TOTAL LIABILITIES		43,771,683	40,095,956
TOTAL EQUITIES & LIABILITIES		\$75,358,313	\$70,665,364

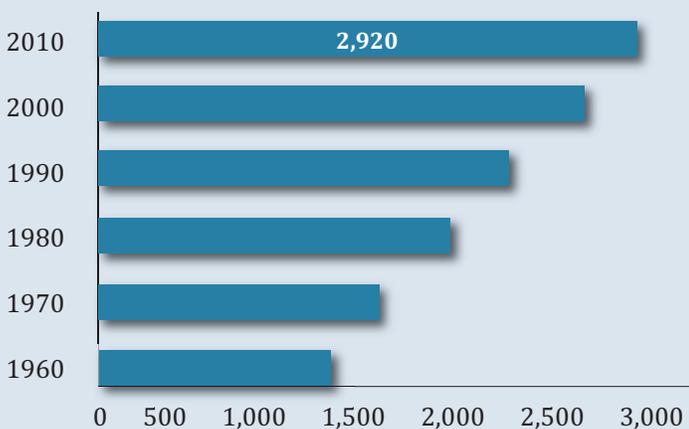
Kilowatt-hours sold (in millions)



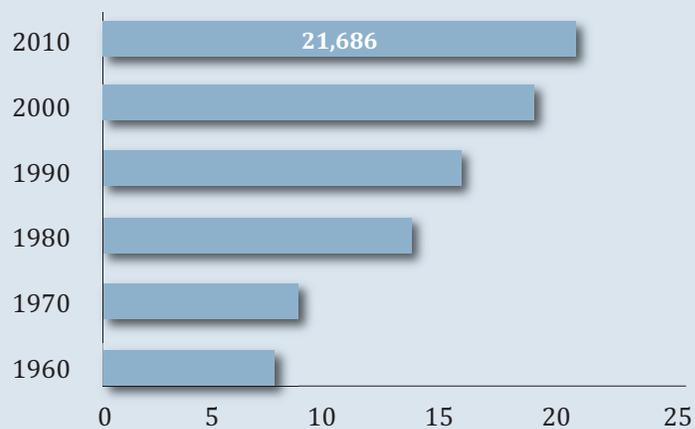
Utility plant (in millions)



Miles of line



Accounts served (in thousands)

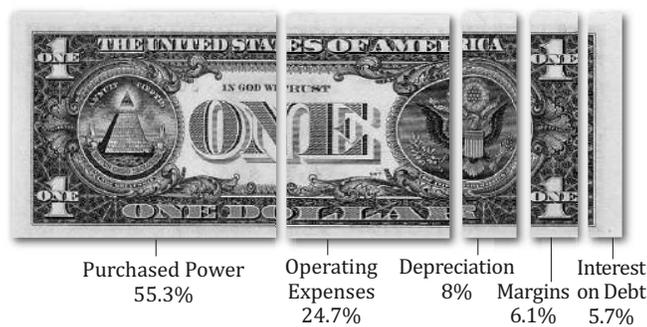


The Co-op Dollar

Where it comes from



Where it goes



THE
Trading Post

Classified Advertising



Co-op members may submit ads via e-mail at valleynewsads@valleyrec.com; by phone at 800/432-0680; by fax at 814/643-1678; or by mail at Valley REC, PO Box 477, Huntingdon, PA 16652-0477. There is no charge for this service. If consumers wish to continue running particular ads, they are required to resubmit the information on a bimonthly basis. The deadline for submission is the 25th day of the month prior to the issue months. Submissions are viewable on the co-op's website at www.valleyrec.com. Items published are printed at the request of our members. The co-op does not endorse, recommend or assume any responsibility for the products or services advertised. The co-op also reserves the right to edit material for content and/or space as necessary.

Real Estate

10 acres on Lilly Rd. in Blair Co., Juniata Twp. A stone's throw from game lands. Mostly wooded, very scenic, \$49,000. Call for particulars. 814/696-9006.

Lewistown - Very lg. building, exc. cond. Hard top for lots of parking. Good traffic flow, \$190,000. Will finance. 717/734-3275.

Juniata Co. - 2-story chicken house, 44' x 400' on 12.62 acres. Storage shed, slate around building, good shape. Could put house or trailer there, \$250,000. Will finance. 717/734-3275.

Brady Twp., Hunt. Co. - 1.64-acre lot. Water, sewage, electric on site. Next to trout stream, \$38,000. 717/437-5304.

50 acres of land for hunting. Lease for \$840/yr. 814/447-3630 or email galleryofwood@innernet.net

For rent - Fenced pasture. Fencing is goat proof. 20+ acres w/ water, shelters & rough barn. Henderson Twp. 814/599-9546.

1890's log cabin w/ addition on 3.09 acres in Duncansville for sale by owner. Well/septic, 1.5 story (upstairs is not remodeled), 2 full BA, 1 BR, DR, LR, laundry rm., KT, 10' x 12' covered back porch, grape arbor w/ porch swing hardware, tire swing, out-house, stream nearby, quiet setting surrounded by woods, 2-car detached garage, low taxes, no zoning ord., woodburner flue. Pictures avail. by email. 814/693-5907.

47.4 wooded mountain acres with secluded 2004 custom ranch house. Blacklog Valley, Orbisonia. Gorgeous view, hunting, pond, trails. Near state game lands, \$299,000. 814/447-3744.

2010 custom-built 1,750 sq. ft. log home. Minutes to Lake Raystown, Tatman Run boat launch. Home features 3-4 BR, 2 full BA, lg. open LR, DR, KT & 2-car garage. Property on 1.70 acres. Mountain views from 8' x 20' covered porch or 12' x 32' deck. View at www.metzlerbuilders.com, \$265,000 neg. 717/994-1892.

Wanted

Someone to cut down 5 or 6 tall young trees around our home. Need proof of license & insurance. Call 717/734-3569 & leave msg.

Plastic canvas patterns. I would like either to buy or if someone has some they would like to give away, I would be willing to take them. If needed, I will pay for postage to mail them. 814/224-4326. If no answer, please leave msg.

Autos/Trucks

1963 Chrysler New Yorker. 4 dr., new paint, 73,000 orig. miles. Shed kept, runs, \$8,500. 717/527-2350.

2001 Chevy Tracker. 6-cylinder, auto., 4x4. Very nice. 168,000 miles, \$4,395. 814/696-9006.

1998 Ford Contour. 85,000 miles. Parting out or \$800 whole. 1998 Honda Civic, fair cond., \$1,500. 814/447-3630 or email galleryofwood@innernet.net

4 17" polished aluminum alloy wheels, like new, off a Mustang SVT Cobra, \$985 OBO. (Through Ford Motor Co., cost is \$700 ea.) Call Nadine at 814/643-4728 or email deenie47@hotmail.com

Recreational

2005 Suzuki GSF motorcycle. 9,800 miles, new battery, \$2,700 firm. 814/693-5907.

1986 Bayliner Capri. 19' bowrider w/ 125 hp Force outboard motor. Comes w/ decent trailer. Boat was last run at Raystown Lake in 2009. Was running when winterized, under cover since then. Needs a lot of TLC & work to be a reliable boat. Best offer. Stored near Huntingdon. 717/768-0068.

Vacation Rentals

Daytona Beach Regency condo avail. during bike week March 2-11, 2012. 1 BR, sleeps 4, full BA, on beach, fully furnished including linens, towels & full KT. A/C, indoor/outdoor pools & hot tubs, poolside bar, complimentary parking, fitness center, game room. On-site amenities also include laundry, wireless internet, copier, fax, voice-mail. For more details & price, call 717/386-9173.

Mrytle Beach condo. Oceanfront w/ balcony to watch sunrises. Water temp. in mid-80's, recreation & restaurants abound. Elevator to 4th floor, sleeps 4. Avail. Aug. 14-21. Bargain at \$625. Call 610/358-1776, leave msg.

Wildwood Chalet & Cottage. Two beautifully rustic vacation homes close to 7 Points Marina at Raystown Lake. Both houses are within walking distance & can each sleep up to 10 guests. Perfect for family & friends visiting from out of town, small family reunions or a romantic getaway for 2. Bed linens provided, high speed internet, fully equipped kitchens & much more. For more info. visit www.wildlodge.net or call Pam at 814/571-8799.

Tools/Equipment

Devilbis Air Power Co. pressure washer. Honda gas engine, 3,500 PSI, \$750. Elec. Craco paint sprayer, 190 ES, \$750. 717/734-1005.

Kubota B7610 HST. Power steering, exc. cond., only 191 hrs. 60" mower & loader, \$9,250. Call 814/696-3213.

Craftsman electric cultivator, \$50. 814/259-3817.

3-pt. hitch 2-bottom 14" trip back plow, \$450. 3-pt. hitch cut-off saw, belt driven, \$40. 717/987-3619 after 6 p.m.

1996 80 hp Bobcat skidloader, \$9,500. 25" Woodmaster planer/molder/sander, \$2,700. 814/447-3630 or email galleryofwood@innet.net

4-bottom, 3-pt. hitch plow, \$400. New Holland silo blower. 814/447-3735.

Farmall Super A Grader blade. The blade isn't new, but it's professionally rebuilt. All steel parts have been wire-wheeled down to bare metal, primed & painted w/ quality Farmall red equipment paint. New cutting edge, new lift arm, new tractor hook-up lift arm that permits it to be mounted under tractor, new push arms & all new bolts. Spring rods had threads cleaned & re-set to factory specs. All "farmer welds" were cut out & re-welded w/ ERS 70-6. It has the upper extension for snow & the "snow link" so the blade can float. It also has a Farmall Grader Blade 60 manual. Fine cond., never slid on ground, \$925. 717/576-9115.

Miscellaneous

Chicken Soup for the Soul series. 8 volumes, very good cond., \$25. Can mail. 814/643-3197.

Vintage real rabbit fur long ladies coat, size med., \$50. 70's gray faux fur ladies coat, size lg., \$35. Both in good cond. 814/658-3755.

95 pcs. Avon Cape Cod ruby dishes in orig. boxes. 814/667-2145.

Avail. now: Nature's Sunshine. Highest quality of herbal, vitamin, mineral & nutritional supplements worldwide. Made in USA. To order or for more info., call 717/504-0502. Leave msg.

Pro-Form treadmill C970, \$350. Cross Trainer multi-gym, \$250. Help Rider exercise bike, \$200. Weight bench w/ barbells & pulls. 5 lb. to 250+ lb. plates, \$500. 717/734-1005.

Fold & Go Rascal scooter. New, never used. Baskets front & back, clock, mirror, black. New, \$3,995. Will sell for \$3,000. Call 814/448-3285.

2 Eden Pure electric space heaters, \$100 ea. Bargain Hound fold & carry dog crate, 48"L x 30"W x 33"H, \$50. 814/259-3817.

White cookstove, \$425. Old hay, barn kept, dry. \$1/bale. 3-8" l beams, 8' long, \$40/ea. 1-8" l beam, 12' long, \$60. Round galvanized fence posts, \$4 ea. 717/987-3619 after 6 p.m.

White free-standing electric range w/ matching range hood, exc. cond. White dishwasher, exc. cond., \$150 OBO takes all. Call 814/644-8402. Will email or text photos.

One-of-a-kind tongue & groove flooring & v-groove wall boards, \$2 per sq. ft. & up. 8/4 furniture-grade dry white pine, \$1.50/bd. ft. 3 rolls of 2"x4"x6"x100' new fence, \$90 ea. 55 gals. of yellow enamel paint, \$250. Pick-up tool box, \$75. Outdoor garden clock, \$10. New Bulova grandfather clock, \$2,000. Glass & brass heavy coffee table, \$150. Set of 4 solid wood chairs, \$75. 814/447-3630 or email galleryofwood@innet.net

4 pc. oak bedroom set w/ mattress, fair cond., \$400. Flex-steel sofa, very good cond., \$400. Eye doctor chair, good cond., \$500. 814/542-8703.

King-sized waterbed w/ headboard, drawers & storage space underneath, \$300. 814/542-4755.

3 burn barrels. 814/447-3735.

100' of temporary service cable. 1 horse-drawn ferring-out plow. 2 propane tanks. 1 full set wedge bar for 12" track for dozer. 814/627-0132.

New Holland 28' plastic hay bale wrap, good cond. 814/447-3735.

Service

Sipes Fence LLC. All types of agricultural fence installed. Post driving avail. Free 1 yr. maintenance check on all fence installed. Scot Sipes. 717/491-7539.

Marks Bros. Holdings LLC - Auto repair, PA emissions & inspections, dump truck services, excavation, tire & wheel balancing. 814/643-1774, 643-9977 or email marks-bros@verizon.net

Walters Well Drilling - Pumps, water treatment. Free est. 814/259-3159.

Will do yard work. 814/259-3634.

Esh Appliance & Repair - Main St., Belleville. Gas refrigerators, need no electric, ideal for camp, cabin or home. 717/935-2434.

Keller's Home Improvements - Replacement windows, siding, soffit, fascia, doors, decks & other home improvements. Free est. Located in McAlevy's Fort area. Fully insured. 814/667-2236.

Bee Unique Hair Boutique - 17759 Beaver-town Rd., Todd. Now offering spray tanning! Opening special: \$15 per session or buy 2, get one free. Call 814/448-4914 to schedule your appt. Also, ask about our Hair Flairs.

Cresswell Heating & Air Conditioning - We install & service all types of heating & air conditioning equipment. Specializing in geothermal & solar hot water systems. For free est. or service, call 814/448-3654 or 644-9913.

Appalachian Lawnscares - Lawn care, landscaping, soil testing, consulting, mulch deliveries. Based near Three Springs. Serving Huntingdon & Fulton counties. 814/599-1065 or 599-0757.

Having a special event? Reserve our banquet hall or outdoor pavilions complete with charcoal grills. Stone Creek Valley Lions Park, 5303 Cold Springs Rd., Huntingdon. For rental information, call Denny Hall at 814/641-7489.

New location: Vintage Art Glass & The Foxy Grape Bead Shop at 508 Penn St., historic downtown Huntingdon. Working studio w/ 33 yrs. pro. experience. We design & build stained glass windows, small or large. Our unique gifts are the focal point of our store. We also repair & restore stained glass windows. Complimentary engraving & hand-painted gift bags for gifts purchased. The Foxy Grape Bead Shop offers a full line of beads & beading supplies. Take a class & learn how to make your own jewelry or let Leah make a gorgeous custom piece for you. Pick your own jewels. Watch for our Friday & Saturday evening "Glass after dark" demos of frameworking. Call 814/251-4408, email grapenutty@verizon.net or find us on Facebook.

A Spiritual Outlet sells jewelry, metaphysical items, home decor & gift items. Find some of our products at "The Dawning" in Ebensburg, PA or visit www.ASpiritualOutlet.com. Free shipping on your first order! Mention this ad & get a free gift with purchase!

TLC Power Wash - Residential, commercial, auto detailing. Free est. 814/644-1173 or 643-4367.

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(USPS 655-940)

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Charter Oak Forestry - Working with forest-land owners to achieve the highest sale value for your timber. Focused on regenerating a future forest. Timber sales, appraisals, trespass values & wildlife enhancement. PSU Forestry graduate Galen Baney. 814/667-2018 or email charteroak-forestry@yahoo.com

Dublin Electric, LLC - No job is too small! Providing a wide variety of electrical services to the Fort Littleton & surrounding areas. Fully insured & free estimates. Please call Jeff Croft at 717/491-0676.

Gene's Variety & Auctions - We have auctions the first & third Fridays of each month starting at 6 p.m. We sell consignments for the public. You never know what will show up to be sold. We hope to see you at one of our auctions. If you would like to sell items, call 814/643-2734 or stop by our store. We are located on Fairgrounds Road, Huntingdon. Hours are Mon.-Fri. 10:30 a.m.-5 p.m., Sat. 10:30 a.m.- 4 p.m. Check auctionzip.com #2942 for upcoming sales & photos.

Country Stone - Pro installation of pre-cast stone & brick veneer. 35 yrs. experience, specializing in fireplaces & foundations. Free estimates. Fully insured. 814/695-8693.

A1 Carpet Foamer - We clean carpet, area rugs & upholstery. We foam; we don't soak. 814/542-4727 or 599-9313.

Moore Hair - Where looking good is still affordable. 814/667-2221 for appt.

Nancy's Simple Pleasures Baked Delights & Gift Shop - Located on the corner of Rts. 26 & 305 in McAlevy's Fort. Open June 10-11. Friday hrs. are 8 a.m.-8 p.m. Saturday hrs. are 8 a.m.-5 p.m. 814/667-3622.

Peter's Excavating - Providing quality excavating services for over 30 yrs. We offer site development, foundations, septic, land clearing, roads, ponds, grading & excavating along w/ trucking shale & limestone. 814/667-2240.

ES Ministries Thrift Shop - 5468 Charter Oak Rd., Petersburg. Located in the Faith Center, Mooresville United Methodist Church. Hours are Thurs. & Fri. 9 a.m.-6 p.m. & Sat. 9 a.m.-3 p.m. Clothing, household items, books, linens, toys, etc. We carry items for current holidays. New merchandise added weekly. Weekly 50% off and 50-cent sales. Donations accepted during shop hours. Call 814/667-3141.

Valley News

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Valley Rural Electric Cooperative, Inc.

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