

Valley Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives
serving Pennsylvania and New Jersey

Valley Rural Electric Cooperative, Inc.

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Guest Column



One sweet ride of an electric company

By Doug Roles, *Vice President of Member Services*

HAVE YOU ever said to yourself, “I wish I would have held on to that baseball card, comic book, classic car, etc.?” It’s a familiar story. We’ve all heard people tell how they parted ways with something not realizing that it would become much more valuable over time.

I read recently about a 1980s-era Buick coupe selling for a quarter million dollars on eBay — that’s \$250,000 for a Buick! And the car originally sold for as low as \$17,000, according to a Fox News online report. The backstory is that the vehicle is a limited edition GNX (Grand National Experimental), No. 372 of just 547 produced. Still, you have to wonder how many of those 547 original owners let their GNXs go, not realizing what they had their hands on.

Fortunately, Valley Rural Electric Cooperative’s (REC) founders knew they had something good. The co-op’s founders and the first generation of members likely could not have predicted Valley REC would eventually serve 22,000 accounts and have a utility plant valued at \$120 million. But the earliest members held on to the value of the cooperative business model and the idea that, together, rural residents could obtain electric service for their homes, farms, and businesses. Membership drives of the late 1930s saw new consumers pay \$5 to join the co-op and, in many instances, farmers lent a hand with line construction work when Valley

REC crews were in their area.

As the co-op grew, leaders continued to see the value in this enterprise. In fact, a 1970s-era, new-member handbook asked members to be active owners. The booklet encouraged members to read information provided by the co-op so they knew how their business was operating. It even asked them to learn about the rural electrification movement so they could speak up for the co-op and tell Valley REC’s story to others.

Today, Valley REC continues to look for ways to add value to the membership experience. In 2021, Valley made its largest-ever return of patronage capital, \$2.7 million, to the membership. We continue to improve our distribution system (see the story on page 14b for more information) and offer a variety of products, programs, and services, such as electrical safety presentations and scholarships for high school seniors. Members can pay bills electronically, follow the co-op on social media, and know that we’re always just a phone call or an office visit away, when needed.

In a lot of ways, Valley REC is like that classic Buick coupe. The co-op has become more valuable over time. Members are still in the driver’s seat through the election of candidates to the board of directors each year. And, like the sleek lines of that GNX, co-op membership has never gone out of style. We like to think that when it comes to electric companies, Valley REC is one sweet ride. ❁

System improvements slated for 2022

By Doug Roles

Vice President of Member Services

VALLEY Rural Electric's operations personnel and line crews will have another busy year in 2022 as the co-op continues to improve system reliability and power quality. Construction of a new substation in Blair County is the big project for the year. Crews will also continue to install line protective devices that can isolate faulted sections of line from the rest of the distribution system, reducing the number of members impacted by any one power outage.

Site preparation work will begin soon for a new Sinking Valley substation in Tyrone Township. The project, in Valley REC's Martinsburg service district, is expected to be completed late this year.

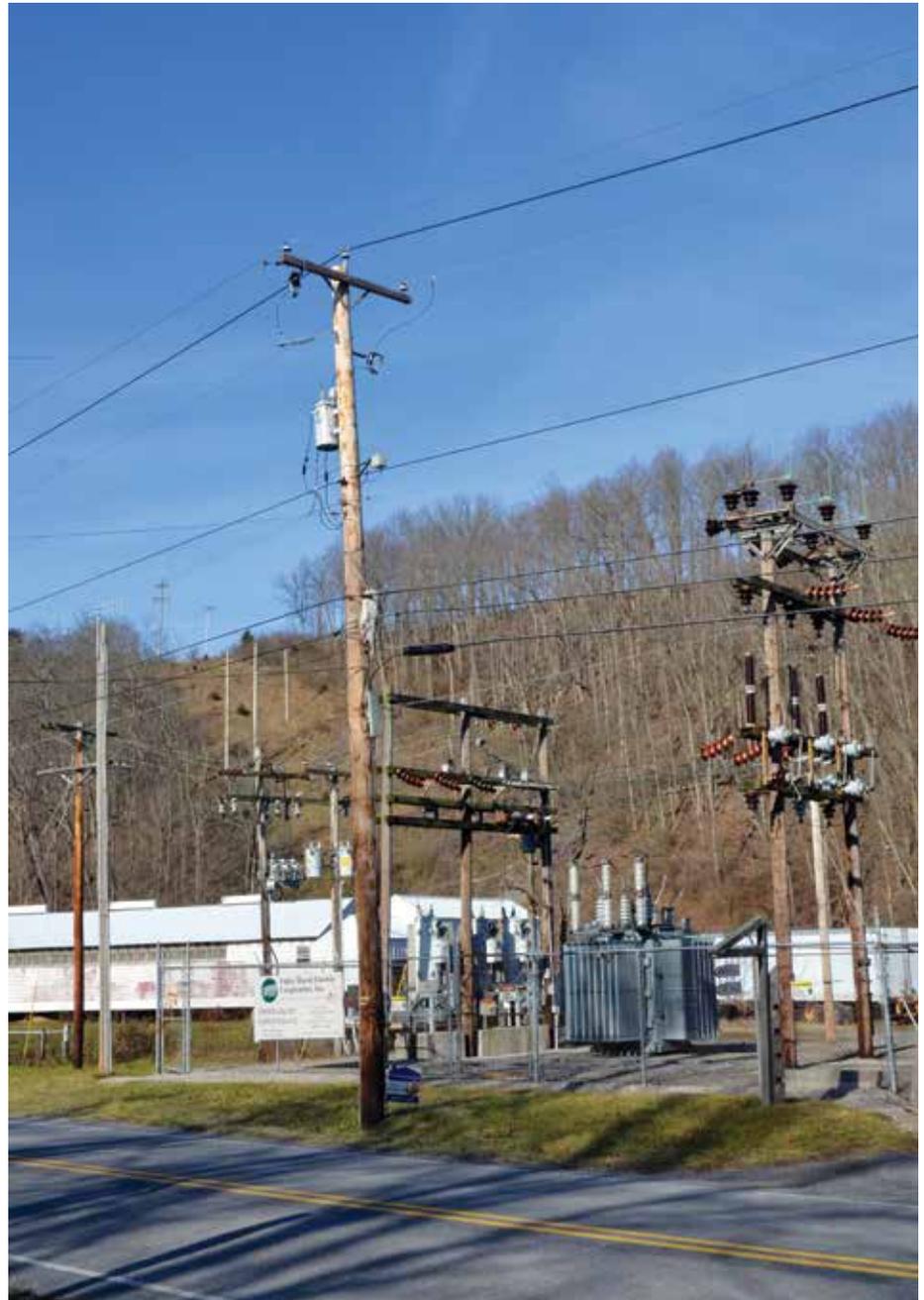
The existing substation is located along Kettle Road. "It's our last true old wooden substation," Todd Ross, Valley REC's vice president of operations, says. "We've been replacing these old subs that date to the 1950s."

The new substation will be located 13 line spans north of the existing one on ground purchased in 2020 along Church Hill Road. New construction will update equipment, improve access and eliminate the existing layout in which the first several spans of the north feeder (the main line out of the substation) traverse a steep ridge.

"The new location takes away about a mile of overhead exposure for us," Ross says of the closer proximity to a Penelec 46-kilovolt supply line.

Substation construction has been a major part of Valley REC's maintenance and operations effort in recent years. In the fall of 2021, the co-op completed construction of a new Atkinson Mills substation in Wayne Township, Mifflin County. That project also replaced an aging wooden facility from the 1950s with a metal-frame structure.

In October 2020, the co-op completed construction of a new substation near Fort Loudon, Franklin County. The Path Valley substation now



DUE FOR AN UPDATE: Valley REC's Sinking Valley substation is located along Kettle Road in Blair County. The wooden-structure facility dates to the 1950s. The co-op plans to replace it with a new Sinking Valley substation later this year.

handles the load of the former Metal substation several miles to the north along Route 75. In 2016, Valley built a new Reeds Gap substation in Tuscarora Township, Juniata County, again replacing an older substation.

Valley crews will continue replace-

ment of deteriorating underground line in the Stonehedge development in Frankstown Township, Blair County. Additional underground work is slated for the Canoe Creek State Park area (Blair County) and at Raystown Resort (Huntingdon County).

FUTURE SITE: Valley REC's new Sinking Valley substation will be located near the junction of Church Hill, Babe and Baldauf roads in Tyrone Township, Blair County. The co-op purchased ground here in 2020 in preparation for the construction project.

"We have roughly nine miles of deteriorating single phase, overhead line to replace in Belfast Township, Fulton County," Ross adds. "That work is south of Harrisonville, along Timber Lake Ridge."

Installation of additional line-protective devices will continue across Valley's distribution system this year. Devices, such as sectionalizers, oil switches and fuses, work together to increase reliability. They detect faults and prevent fuses from being blown if a fault is only momentary, such as when a broken tree limb briefly contacts a power line and then falls away.

"It helps to reduce the portion of the system affected by one fault, minimizing the number of members affected by an outage," Ross says of the



PHOTO BY TODD ROSS

ongoing sectionalizing effort.

In the Huntingdon service district, crews will install sectionalizing equipment on the west feeder of the Dell substation in the Calvin and Cassville areas. Similar work is

planned in the Shade Gap service district in the area served by the Shade Gap substation. And in the Martinsburg district, work is planned on lines serving the Frankstown and Williamsburg areas. ❁

Valley REC board decreases kilowatt-hour rate for electricity members used in December

VALLEY REC members received some good news in January when they got their final bills of 2021. The co-op's board voted in late December to cut by two cents the kilowatt-hour rate charged to members for energy used during December. The move marked the third year in a row the co-op has implemented a rate reduction for one month of energy sales at the end of the year.

The rate reduction for December 2021 saved the membership approximately \$500,000. As in the past two years, the purchased power adjustment was possible due to several factors.

"Our wholesale power costs from Allegheny Electric Cooperative, Inc. were lower than anticipated," Valley REC President & CEO Rich Bauer says. "Also, this past year, we did not have many serious storms, which kept our outage restoration costs fairly low."

The bill Valley members received in January 2021 reflected a three-cent cut in the kilowatt-hour rate for electricity used in December 2020. That adjustment saved the co-op's membership about \$800,000.

Two years ago, Valley REC's board approved a purchased power adjustment for the energy consumers used in November 2019. That purchased power adjustment cut the kilowatt-hour rate by five cents and amounted to nearly \$1 million in savings.

As a not-for-profit utility, Valley REC returns margins to consumer-members. Members' December billing (for energy used in November 2021) included the annual capital credits return. Valley returned \$2.7 million in patronage capital in 2021, the co-op's highest amount ever.

Valley REC's kilowatt-hour (kWh) rate is 9.95 cents. A kilowatt-hour is enough energy to power a 100-watt lightbulb for 10 hours. A typical household uses about 1,000 kWh per month.

Valley REC members have helped contain costs by lessening their electric use during peak demand periods, when the co-op pays the most for wholesale power. Valley members who participate in the co-op's demand response program allow the co-op to temporarily shut off power to water heaters during periods of peak use, decreasing wholesale costs. Participants should not be inconvenienced since water heaters are well-insulated and can be shut off for several hours with minimal heat loss. Program participants receive a \$100 bill credit.

Additionally, shifting summertime use of large appliances — like ovens or swimming pool pumps — to early mornings and evenings lessens overall demand when electricity is the most expensive. ❁

2022 district nominating meetings canceled

CONTINUED uncertainty about the impact of COVID-19 has caused Valley REC's board of directors to again cancel district nominating meetings normally held in February. Nomination of candidates for election to the board of directors will instead happen through a signature-gathering process, as was the case last year.

Each year, three of Valley REC's nine board seats are open for election. Normally, the co-op holds fire-hall dinner meetings the first full week of February, so members in those three districts can nominate members to stand for election to the board at the annual meeting in April. The 2020 meetings, just before the start of the COVID-19 pandemic, were the last to be held.

Again this year, members interested in being nominated must contact the co-op for a signature form. Seats are open for election in director districts 7, 8 and 9. Members in those districts received a mailing in early January explaining the signature process.

District 7 is comprised of: Ayr, Belfast, Bethel, Dublin, Licking Creek, Taylor and Todd townships in Fulton County; and Metal and Peter townships, Franklin County.



PAST: District nominating meetings, such as the 2020 District 5 event at the Shavers Creek Volunteer Fire Co., are normally held in early February. The three meetings for 2022, in Districts 7, 8 and 9, have been canceled due to the COVID-19 pandemic. Nominating meetings were also canceled last year.

District 8 is comprised of: Beale, Lack, Spruce Hill, Turbett and Tuscarora townships, Juniata County; and Dublin and Tell townships, Huntingdon County.

District 9 is comprised of: Allegheny, Catharine, Frankstown and Tyrone townships, Blair County.

The incumbent board members —

Greg Henry, District 7; Linda McMath, District 8; and Cindy Bigelow, District 9 — are seeking reelection and will also gather signatures for their nomination.

All members seeking nomination must use a signature form provided by the co-op to gather the addresses, account numbers and signatures of five

members in their district. The completed form with at least five signatures must be returned to Valley REC's offices by Feb. 14, 2022. Cooperative staff will review the completed form and contact the candidate if it needs to be corrected. The corrected form must be resubmitted and received by the cooperative by Feb. 21, 2022.

Once the addresses and signatures of nominating members are verified, Valley's member services department will contact the submitting member to take a photo and compile a short biography for publication in the co-op's annual report and *Penn Lines* magazine. The election will take place at the April 8, 2022, annual meeting ❁



TIPS TO DITCH THE SPACE HEATER

Space heaters are energy hogs, and older models can be extremely dangerous. This winter, ditch the space heater and try these alternative solutions to stay cozy.

- Use an electric blanket to keep warm during the night.
- Caulk and weatherstrip around all windows and doors to prevent heat loss.
- Consider adding insulation to your attic and around duct work.

