

Valley Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

VALLEY RURAL ELECTRIC COOPERATIVE, INC.

10700 Fairgrounds Road
P.O. Box 477
Huntingdon, PA 16652-0477
814-643-2650
1-800-432-0680
www.valleyrec.com

BOARD OF DIRECTORS

James Stauffer
Chairman
Allegheny Director

Leroy Barnes
Vice Chairman
PREA Director

Cindy Bigelow
Secretary

Randall Huntsman
Treasurer

Gregory Henry
Linda McMath
Kenneth Soder
Kevin States
Joanne Whitsel

Corporate Office Hours
Monday - Thursday
7 a.m. - 5:30 p.m.

Huntingdon/Martinsburg/Shade Gap
Office Hours
Monday - Thursday
7 a.m. - 5:30 p.m.

Outages & Emergencies
1-800-432-0680

Executive Report

WE'RE PLEASED TO UPDATE YOU on the health and operations of your member-owned electric distribution business, Valley Rural Electric Cooperative (REC). As it has for 85 years, Valley REC continues to keep safe, affordable, and reliable electric service flowing to member homes, farms, businesses, hunting camps, and churches throughout our eight-county service area.

Your cooperative is on solid financial footing and experienced another good year in 2023. Equity was at 51% of assets at the end of 2023, which is in line with our equity management plan. We returned nearly \$2.3 million in patronage capital to eligible members and former members in December 2023, which follows the December 2022 return of \$2.7 million, our largest ever. Over the years, we have returned nearly \$39 million in patronage capital.

As usual, the co-op's largest outlay in 2023 was to Allegheny Electric Cooperative, Inc., our wholesale energy supplier, for the purchase of electricity. The co-op spent more than \$22.3 million on energy last year, about 51% of the 2023 budget. Due to the extremely high cost of natural gas and rising costs of industry materials, the board of directors approved, in late 2022, an increase in the co-op's kilowatt-hour (kWh) rate and basic monthly charge. The increase of 1.5 cents per kWh, to 11.45 cents, was effective January 2023.


Additionally, the basic monthly charge for all classes increased by \$2 per month. These rates were unchanged going into 2024, and the board is hopeful these rates will remain unchanged in 2025. Even with the adjustment, rates for Valley REC residential accounts are more than 30% lower than those of neighboring private power companies.

Valley REC, its 12 sister cooperatives in Pennsylvania and one in New Jersey are in the fortunate position of owning approximately 66% of our energy supply. The remaining 34% must be purchased on the open market where prices are much more volatile. We continue to ask our members to lend a hand in stabilizing future wholesale power costs by shifting summertime use to early mornings and evenings and participating in our demand response program. If you're already enrolled in the program, thank you. If not, please consider joining this important load management effort.

Valley REC continues to focus on improving system reliability and power quality. This year, we are replacing the 1950s-era Three Springs substation in Cromwell Township, Huntingdon County, with a new substation at the same location. This project is the fourth substation upgrade on our system since 2020.

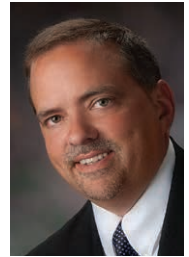
In 2023, Valley REC energized its new Sinking Valley substation in a new location, which is about a half mile from the former Blair County site. The co-op energized a new Atkinson Mills substation in Mifflin County in November 2021 on the site of the former facility and built the new Path Valley substation in Peters Township, Franklin County, in 2020.

We are also continuing to install automated switching devices that limit the number of members impacted by any one outage event. And we are continuing our aggressive approach to vegetation management to lessen the likelihood of tree-related outages.

Valley REC is dedicated to providing safe, affordable and reliable power to our consumers while improving the quality of life in the region we serve. As always, we invite you to contact the co-op offices with any questions or concerns you have about your business. 



JAMES R. STAUFFER
CHAIRMAN OF THE BOARD



RICH BAUER
PRESIDENT & CEO

James R. Stauffer

Rich Bauer

2023 Financial Report

Statement of operations

2023

2022

Income

Operating Revenue	41,080,924	37,456,046
Interest Income	51,863	50,125
Other Non-operating Income	2,461,794	546,982
TOTAL INCOME	43,594,581	38,053,153

Expenses

Cost of Power Purchased	22,373,112	18,293,001
Operations & Maintenance	6,611,582	6,224,294
Member Acct. & Service	1,348,086	1,281,966
Administrative & General	4,276,340	4,012,080
Depreciation & Amortization	4,453,114	4,314,835
Taxes	67,646	64,617
Interest Expense	1,625,084	1,570,045
Other Deductions	104,043	105,090
TOTAL EXPENSES	40,859,008	35,865,928
NET MARGINS	2,735,573	2,187,225

Balance Sheet

2023

2022

Assets

Electric Plant (less depreciation)	79,059,699	77,973,266
Investments	16,557,679	15,809,426
General Fund Cash & Working Capital	754,266	1,583,485
Accounts Receivable	3,933,279	3,552,513
Materials & Supplies	807,870	766,573
Payments Made in Advance	35,687	29,654
Other Current & Deferred Assets	2,171,882	2,413,313
TOTAL ASSETS	103,320,362	102,128,229

Equities

Patronage Capital & Margins	27,012,018	28,997,389
Other Equities	26,767,090	22,664,265
TOTAL EQUITIES	53,779,108	51,661,654

Liabilities

Long-term Debt	35,872,319	38,817,200
Notes Payable	2,300,000	0
Accounts Payable	2,195,960	2,140,265
Member Deposit	512,415	505,810
Other Current & Accrued Liabilities	5,095,477	4,914,032
Deferred Credits and Regulatory Liabilities	3,565,084	4,089,267
TOTAL LIABILITIES	49,541,254	50,466,575

TOTAL EQUITIES & LIABILITIES	103,320,362	102,128,229
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2023 Statistics

Accounts Served
22,598

Miles of Line
2,781

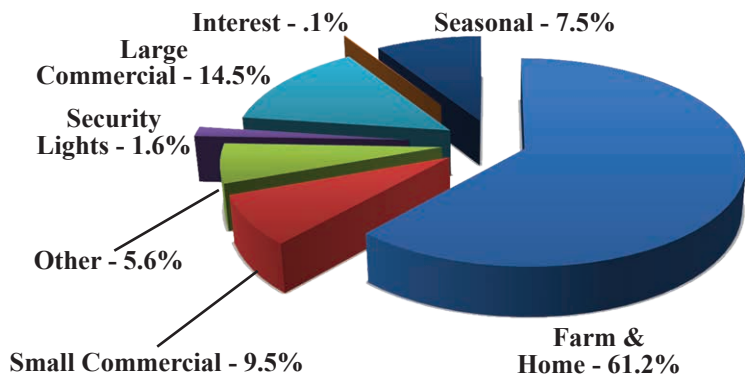
Utility Plant Value
\$130,543,960

Kilowatt-hours Sold
278,089,634

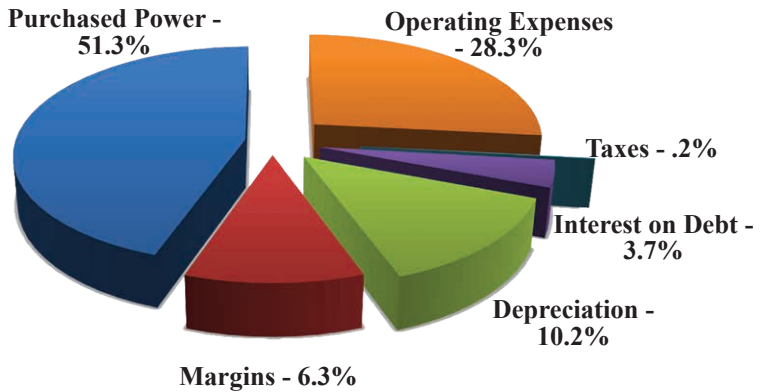
U.S. flags line Blacklog Road in Juniata County.

The Co-op Dollar

Where It Comes From



Where It Goes



- Electrical services
- Ductless mini splits
- Transfer switches
- Water heaters
- Generators



Ductless heating and cooling. Airtemp mini-splits are perfect for any home!

Valley Rural Electric Cooperative's suite of energy services can help you save energy and make your home more comfortable.



Valley REC's 2024 Drive-thru Annual Meeting Draws More Than 1,700 Members to Huntingdon Fairgrounds

DOUG ROLES, VICE PRESIDENT, MEMBER SERVICES

VALLEY RURAL ELECTRIC COOPERATIVE (REC) members re-elected three incumbents to the co-op's nine-member board of directors during the business's annual meeting April 5. The drive-thru meeting, held at the Huntingdon County Fairgrounds, drew 1,755 memberships.

Members elect directors to three-year terms, and three seats are open for election each year. Jim Stauffer, board chairman, will continue to serve as the director from District 2. Joanne Whitsel was re-elected to the District 4 seat, and Leroy Barnes, board vice chairman, remains in the District 6 seat. Also on the ballot were James Palmer, District 4; and Dennis Strayer, District 6.

Like many cooperatives, Valley REC had for many years held its annual meeting at a high school auditorium. The COVID-19 pandemic forced co-ops to find other formats for their member meetings, with some moving to a drive-thru format and others adopting a web-based meeting. Valley REC moved to its drive-thru format in 2021 following the cancellation of the 2020 annual meeting.

"We initially switched to this format to provide a COVID-19-safe way to host our annual meeting," Valley REC President & CEO Rich Bauer says. "We had an overwhelmingly positive response to the first drive-thru event and discovered that many more of our members are able to participate this way."

Following COVID-19, the co-op returned to its traditional firehall-dinner format for the three district nominating meetings held each February. Members attending those meetings nominate members in good standing whose names then appear on the annual meeting ballot to be voted upon by the membership at large.

The co-op's corporate headquarters is across the road from the fairgrounds. Nearly all co-op employees were on hand to direct traffic, register members, and hand out ballots and gifts. Members who attended will receive a \$25 bill credit.



PARADE OF MEMBERS: Above, Valley Rural Electric Cooperative members line up at the registration tent at the co-op's 2024 drive-thru annual meeting April 5 at the Huntingdon County Fairgrounds. Below, co-op employees Ethan DeVore, right, and Jason Wilson accept an election ballot from a member and give him this year's gift, a travel bag.



THREE INCUMBENT BOARD MEMBERS REELECTED

DISTRICT 2



JAMES STAUFFER
175 Aultz Lane
McVeytown, PA 17051

DISTRICT 4



JOANNE WHITSEL
7925 Windy Summit Lane
Mapleton Depot, PA 17052

DISTRICT 6



LEROY BARNES
445 Sarah Drive
Portage, PA 15946