

# Bedford Rural Electric Cooperative

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

## **BEDFORD REC**

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### **Attorney**

**James R. Cascio**

## **OFFICE HOURS**

Monday through Friday  
7:30 a.m. - 4:00 p.m.

## Electric Rate Increase Necessary to Offset Rising Generation Costs



**DURING THE FINAL MONTHS AND** weeks of 2022, Bedford Rural Electric's employees have been diligently working on budgets and forecasts for 2023. As you know, virtually every aspect of today's cost of living continues to rise. Our primary goal is always to minimize the effects of potential rate increases while maintaining cost-effective, reliable service you can count on every day.

From the gas pump to the grocery store, we've all seen costs going up. Pandemic-driven supply chain disruptions, politically driven changes in energy policy, a war in Ukraine, and skyrocketing natural gas prices have fueled inflationary pressures and cost increases in just about every sector, including electric generation.

As a result of these issues, wholesale energy prices have significantly risen, and we must increase our generation and transmission (G&T) rate. The revised rate became effective Jan. 1, 2023, and will be reflected on the bill you will receive in early February.

As always, we are committed to containing costs. In fact, we last raised your generation rate in 2013. We have had a remarkable record of stable and low-cost generation rates over the last 20 years. Despite this increase in 2023, our rate will still be 20% lower than Penelec's rate and almost 10% lower than West Penn's rate. That's because your not-for-profit cooperative has a long history of making investments to help curb costs to our members.

Allegheny Electric Cooperative, Inc. (Allegheny) was formed by Pennsylvania's rural electric cooperatives in 1946. Today, Allegheny is the energy provider for 14 electric cooperatives in Pennsylvania and New Jersey, including our co-op.

In the late 1970s, Allegheny made the decision to invest in a nuclear plant, becoming a 10% owner in the Susquehanna Steam Electric Station (Susquehanna) in Luzerne County. It provides more than 50% of all the energy needs of all of Allegheny's member cooperatives. Allegheny also owns the Raystown Hydroelectric Plant at Raystown Lake, and we have long-term hydropower agreements entitling us to output from the New York Power Authority's hydroelectric plants.

Combined, these investments have helped shield cooperative consumers from periods of intense market volatility. They represent roughly 65% of our power portfolio, requiring Allegheny to purchase only about 35% for our remaining needs. This portfolio has insulated us against recent rising energy costs. Whereas investor-owned utilities are subject to 100% of the spikes in market prices, our exposure has been limited to this 35%, helping to temper cost increases.

Many people don't understand the various ways their membership in a cooperative affects their rates. Our rates are based on two main components — the actual cost of the wholesale power that we buy from Allegheny (G&T) and the cost for us to get that power to you (distribution).

*Continued on page 16D*

# Bedford County Campus Facility Gets a Facelift

**GARY DIEHL**, MANAGER, MEMBER SERVICES

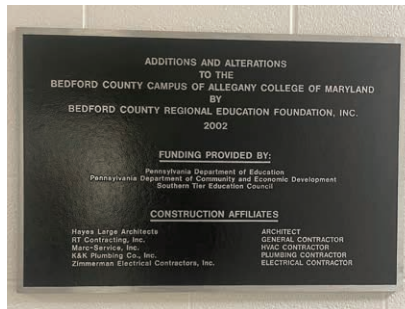
**ASK ANY TEACHER, PROFESSOR, OR** person whose life or occupation centers around similar professions and I bet they'd say the single greatest way to secure a bright future is the education of our youth. Well, we have a hidden gem right here in the heart of Bedford County to help accomplish that very task by way of Allegany College of Maryland's Bedford County Campus (ACM).

Recently, I had the opportunity to sit down and talk with several individuals who were integral figures in the start-up of the college as it exists and/or were responsible for its ongoing success: Leah Pepple, ACM director of PA advancement and community relations; Dan Koontz, chairman of the Bedford County Regional Education Foundation; Rick Cessna, retired school administrator, former Bedford Rural Electric Cooperative (REC) board member and retired ACM Bedford County Campus maintenance supervisor; and Mike Freeman, ACM Bedford County Campus custodial supervisor. All, by the way, are cooperative members (Leah, Dan, and Rick are Bedford REC members and Mike is a member of New Enterprise REC).

Dan, Leah, and Rick shared how from humble beginnings, bright ideas and a real need to have a way for our county students to further their education without "going away," the Bedford County campus was born. They are passionate about the continued success of ACM, which is really why we got together — to discuss the upgrades and maintenance projects recently completed or still in process at the school. It doesn't seem that long ago that ACM opened its doors, but Leah pointed out that construction of the Bedford County campus began



**START UP:** From left, Mike Freeman, Rick Cessna, Leah Pepple and Dan Koontz stand next to a newly installed Variable Refrigerant Flow Unit, one of many energy-related upgrades made recently at Allegany College of Maryland's Bedford County Campus.



**ADDITIONS:** A plaque commemorates the latest building additions and alterations in 2002. The original ACM building opened in 1994.

in 1993 and opened for fall classes in 1994. Wow! In the blink of an eye, the Bedford County facility has turned 28 years old. So, it's no wonder some much-needed upgrades to the facility were necessary, because according to these three, many pieces of equipment and processes far outlived their normal life expectancy. And the only reason this was possible was because of the great care and dedication guys like Rick, Dan, Mike, Adam Phipps, the director of physical plant, and



**WELCOME:** The main entrance to Allegany College of Maryland Bedford County Campus.

others put into it.

So, how did they determine where to start and pinpoint what needed addressed first?

The facility improvement initiative began in 2017 with the completion a Level 2 energy audit by the American Society of Heating, Refrigeration, and Air-Conditioning Engineers. The audit confirmed much of the HVAC equipment was years beyond its median life expectancy and needed more than just TLC. It actually needed updated. In addition, recommendations were made to update the fluorescent light-



**FRESH FACES:** ACM Bedford students Haden Ryan and Mary Hood enjoy their time on campus.

ing to LED, restore and/or replace the roof, and replace the energy recovery units. The HVAC at the school is geothermal, which is not unique by today's standards, but at the time of ACM's inception, it wasn't a wildly popular method of heating and cooling a commercial building. One of the neat things about the geothermal setup at the Bedford campus is each classroom has its own closed-loop well with individual thermostatic controls.

To date, the facility improvement investments have exceeded \$1 million. The upgrades or replacements have followed a specific and chronological plan. Both the interior and exterior lighting conversion to LED was started in 2017 and completed the following year. The replacement of the office HVAC geothermal units began in 2018 and wrapped up in 2019. The roof restoration was done in 2020 and simultaneously started with a three-phase operation to finish the remaining heating, ventilation, and air conditioning upgrades or replacements. Phase 1 replaced the rooftop energy recovery units in 2020. Phase 2 replaced the HVAC ceiling units and geothermal variable refrigerant flow system in 2022. The replacement of the classroom HVAC units was started in 2022 and is a work in progress to be completed this year.

When doing improvements and

upgrades of this nature, expenses add up fast.

"The facility improvement projects at the ACM Bedford County Campus would not have been possible without the financial support provided by the county, state, and community members, and the Bedford County Regional Education Foundation," Leah says. "Together, we have ensured that high-quality post-secondary educational services will remain locally accessible for residents in the region."

Students who attend ACM's Bedford County Campus have the opportunity to attain an associate degree in multiple majors. Many students who desire to pursue a bachelor's degree or higher attend ACM and take general education classes before trans-

ferring. The college serves students from a five-county region, including Bedford, Fulton, Blair, Huntingdon and Franklin. This fall, 425 students are attending ACM Bedford. During the 2021-2022 academic year, 138 Bedford County residents were served through the Bedford County campus workforce development and continuing education programs.

Educational improvement tax credit funding has positively impacted early college enrollment. During the 2019 fall semester, 194 students were enrolled as compared to 338 during the 2022 fall semester, an increase of more than 74%. Since 1990, 726 students have graduated from the Bedford County campus, and it has served over 15,000 individuals over that same time period. The Bedford County Regional Educational Foundation (Foundation) has awarded more than \$2.34 million to ACM Bedford students through scholarships, tuition assistance and emergency book funding since forming in 1993. Lastly, the Foundation has provided nearly \$200,000 to students so far during this current academic year. 📖

#### BEDFORD RURAL ELECTRIC COOPERATIVE TUITION ASSISTANCE PROGRAM

Let's face it, quality education is expensive even at the most affordable institutions. To help defray some of the cost, Bedford REC began a tuition assistance program in 2013 to benefit high school students who were taking ACM classes in their high school, at the Bedford County campus, or online and whose primary residency was served by the cooperative. In 2020, the Bedford REC Tuition Assistance program began providing financial aid to traditional students attending ACM when other financial resources began covering the costs of early college classes. From conception through present, Bedford REC has awarded \$31,000 in tuition assistance/scholarships.

"We are grateful to Bedford REC for the generosity they have shared with ACM Bedford County Campus students. Scholarships and tuition assistance open the doors of opportunity for students," says Leah Pepple, director of PA Advancement and Community Relations. "We truly cannot thank Bedford REC for their commitment to changing lives through education and for helping local students fulfill their post-secondary dreams."

Allegany College of Maryland Bedford County Campus is located in Everett, right next to the Everett High School at 18 River Lane.



**HELPING HAND:** ACM student Aston George is a Bedford REC Tuition Assistance recipient.

## FROM THE GENERAL MANAGER

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Allegheny sets our G&T rates. Since we have a seat on its board of directors, we ensure that Allegheny works hard to keep rates low, while guaranteeing a stable supply of electricity. In 2013, we raised our G&T rate to \$0.0687 per kilowatt-hour (kWh), and in 2020, we were able to reduce it to \$0.0658. Our new rate will not be finalized until 2022's financial results are fully analyzed. However, it will be approximately \$0.07919/kWh, an increase of \$0.01339/kWh.

The distribution component is the cost for us to get power to you. It includes all other local operational costs, such as poles, wires, and substations, maintenance of trucks and buildings, employee costs, and costs associated with keeping and maintaining our records. The distribution component will not be increased at this time.

So, for our average member who uses 1,000 kWhs per month, the bill will increase by approximately \$13.39, or 10.9%, an average of approximately 1% per year since our last rate increase in January 2013.

As you may know, customers of neighboring investor-owned utilities (Penelec and West Penn Power) do not enjoy the price stability of our cooperative. They change their G&T rates quarterly — four times per year! We believe that quarterly changes are unnecessary in the cooperative world. We evaluate our G&T rate annually to see if changes are warranted. This will keep our G&T rate market-based, yet give our members the comfort of knowing the rate will remain stable throughout the year.

At Bedford Rural Electric, the people who receive electricity are not just customers; they are members of our cooperative. Members enjoy certain rights that customers don't

have with most electric companies. For instance, you can choose to run for a seat on our board of directors, or you can serve on one of our committees. Since each member has a vote in the annual election for the board candidates, the board is composed of people who live and work in the areas we serve.

One of the biggest advantages of being served by a cooperative is we work only for you; there are no stockholders expecting quarterly dividends. We are a not-for-profit enterprise, which means we are working only to provide you with economical, reliable service. Our rates are simply set to provide enough money to pay our operating expenses, make debt service payments and provide an emergency reserve. We also collect some money, which is figured into your rates, that is used for capital improvements. This funding helps finance many of the expensive capital improvement projects we undertake each year to ensure our system is not only properly maintained, but also delivering service reliably. Any profit (or margins) at the end of each year is allocated to each member's account

as patronage capital. Patronage capital, or capital credits as they are often called, represents your investment in the cooperative and its assets.

Your November bill reflected a credit for your share of our 2022 capital credits retirement — our Christmas present to you. Each year, the board considers our financial condition and decides if we should retire capital credits. Fortunately, our finances have allowed us to return capital credits annually for more than 30 years. Returning capital credits to members is a practice unique to the cooperative form of business and represents one of the seven cooperative principles: members' economic participation. The board of directors and employees take pride in providing you with the most affordable, reliable and safe electric service possible.

As I said earlier, our new rate won't be finalized until late December or early January — about the time you are reading this article. For final details, please check the message center of your December and January bills or visit our website, [bedfordrec.com](http://bedfordrec.com).

**BROOKS SHOEMAKER**  
GENERAL MANAGER

## OUTAGE REPORTING

### In case of an outage...

- 1 Check your fuses or circuit breakers.
- 2 Check with your neighbors, if convenient, to see if they have been affected by the power failure.
- 3 Call the 24-hour number, 814-623-7568, OR call 800-808-2732\* during office hours.

*\*(Please help us save money - only use this number if toll charges apply.)*

Please give the person receiving the call your name as it appears on your bill, your telephone number and your map number if known. Any specific information about the outage will also be helpful in pinpointing the problem.

**To report an outage call:  
814-623-7568**

*During widespread power outages, many members are calling to report power failures. You may receive a busy signal, or in certain cases, your call may go unanswered. This occurs in after-hours outages when the office is not fully staffed. Please be patient and try again in a few minutes.*