

Bedford Rural Electric Cooperative

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives
serving Pennsylvania and New Jersey

BEDFORD REC

P.O. Box 335
Bedford, PA 15522
814-623-5101

Email: support@bedfordrec.com
Website: www.bedfordrec.com

BOARD OF DIRECTORS

President & Allegheny Director

Ronald W. Wilkins
Napier and Harrison Twps.,
New Paris, Manns Choice and
Schellsburg Boroughs

Vice President & PREA Director

Donald E. Hoenstine
Kimmel and King Twps.

Secretary

Paul L. Rummel Jr.
Bedford and Cumberland Valley Twps.

Treasurer

Reuben R. Lafferty
Juniata Twp., Bedford County, and
Allegheny Twp., New Baltimore Borough,
Somerset County

Assistant Secretary

Earl W. Garland
East Providence Twp., Bedford County,
and Brush Creek Twp., Fulton County

Assistant Treasurer

Dale R. Sprigg II
West St. Clair, Pavia, and Lincoln Twps.,
Pleasantville Borough

Brian I. Hoover

Monroe and West Providence Twps.,
Everett Borough

Troy A. Mickle

East St. Clair Twp., Bedford County

Travis L. Wigfield

Colerain, Snake Spring and
South Woodbury Twps.

Attorney

James R. Cascio

OFFICE HOURS

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

Board President and General Manager's Report

IT SEEMS LIKE THE FIRST sentence in this report every year contains the word "challenge." Life is full of them, and 2022 was no different. Fortunately, we did not utter the word "pandemic" nearly as frequently. However, that challenge was quickly replaced with efforts to contain costs as inflation skyrocketed. As prices soared across the board, we are pleased to report our rates remained unchanged for the entirety of 2022.

In late fall, the board purchased two lots, totaling 12 acres, in the Bedford Business Park, where the cooperative will construct a new headquarters facility. The new location will consist of a 12,000-square-foot office and a 20,000-square-foot warehouse/garage/shop area. We investigated at least a dozen properties before finding the one best suited to our needs. This land is adjacent to our electric system and has all utilities on-site. The board's decision to construct a new building was based on several factors:

- The current facility at the east end of Bedford was built in 1952, expanded twice and most recently remodeled in 1982. Structural walls once outside are now inside the building and cannot be moved. A feasibility study determined a remodel wasn't practical to meet the needs of the members and the cooperative.
- We are out of space and unable to meet our current needs, let alone future needs for collaboration spaces and technology. Any additional expansion would require significant earth moving.
- We studied demolishing the existing building and building a new one, but that proved challenging, given space constraints that impaired traffic flow.
- The current facility does not provide a functional, secure environment for our members and employees. The various expansions over the years have also created inefficient workflow situations.
- When our facility was first built, Route 30 wasn't nearly as busy, our line vehicles were glorified pickup trucks and our poles were almost entirely 30 feet long. Today, our line trucks are 36,000-pound vehicles pulling poles up to 60 feet long — effectively a 90-foot-long vehicle. With the four lanes of traffic traveling between 35 mph and 70 mph, it is a recipe for disaster.
- The new facility will have traffic lights at both entrances to Business Route 220, a safety improvement for our employees and the membership.

Is this a good time to build? We have asked ourselves this many times. We started the evaluation process on our current building before the pandemic. It was apparent that moving to a new location was the best option. The project came to a halt during the pandemic. We decided we needed to proceed mid-2022. Doing nothing was not an option because of the age and condition of our current facility, and further delays will simply drive up the price.



BROOKS SHOEMAKER,
GENERAL
MANAGER



RON WILKINS,
PRESIDENT

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FROM THE BOARD PRESIDENT AND GENERAL MANAGER

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Will this impact rates? Fortunately, a new building — like a new pole or transformer — is another asset. We expect this facility to cost between \$12 million and \$15 million spread over a 40-year period. It will be financed, and the payments will be built into our budget. Rest assured, we will be conservative with the building design and the construction materials to make the most of our investment. We hope to break ground within a year and move in sometime in the next three years.

We are excited to have the opportunity to build a facility that allows us to better serve our members. The new facility is an investment in both our future and in our community that should serve the members for the next 50 years.

The numbers

2022 was a solid year. We sold 317 million kilowatt-hours, down slightly from 2021. However, our operating revenues increased to more than \$28 million, exceeding our budgeted expectations.

Looking back, 2022 was challenging, to say the least. Materials and supplies were difficult to source, and lead times seemingly grew by the day. Finding and ordering equipment and supplies certainly did not guarantee their arrival, and they rarely arrived in the promised timeframe. Despite the difficult business climate, we continued replacing decades-old equipment with new, modern technology. We finished the year with margins (our net “profit”) in excess of \$3.5 million. That included \$42,000 of interest income and \$2.2 million in allocated, but unrealized, margins from our wholesale power supplier, Allegheny Electric Cooperative, Inc.

Our annual Christmas present to our members put more than \$1.5 million of returned capital credits back into your pockets. The nine years since 2014 have been by far the largest capital credits retirements in the cooperative’s history — more than \$12.5 million. Over the past 41 years, your cooperative has returned more than \$25.5 million to the members — just one more advantage of being a cooperative member. Economic participation and regular capital credits refunds are hallmarks of the cooperative business model. The cooperative’s board demonstrates that annually and strongly believes in that philosophy. The past eight years of record retirements were part of our continuing equity management plan designed to shorten our cycle of returning capital credits. The board anticipates, if our financial condition remains strong, a retirement of around \$1.5 million in 2023.

THANK YOU TO ALL MEMBERS AND GUESTS WHO
ATTENDED OUR DRIVE-THRU ANNUAL MEETING!

DIRECTOR ELECTION RESULTS

- ▶ Reuben R. Lafferty – District 1
- ▶ Troy A. Mickle – District 5
- ▶ Paul L. Rummel Jr. – District 6

Congratulations!

THE RANDOM DOOR PRIZE DRAWING IS COMPLETE
AND WINNERS WILL BE NOTIFIED BY MAIL

Operationally, 2022 was another busy year. We energized 80 new service locations and worked on several major line rehabilitation projects. For the most part, our rehabilitation work involved replacing poles and wire from the late 1940s, '50s, and early '60s with new poles and conductors. As we re-engineer the system, we also make every effort to move our lines out of fields and off hillsides and relocate them adjacent to roads. It makes it better for everyone — we can access lines easier during outages, and members no longer need to navigate around them in the fields. Some of the larger projects included the Blue Knob, Camp Hartley, Dutch Corner, Fishertown and Ryot areas. All together, these projects, along with other smaller line replacements and extensions, multiple bridge replacements/relocations, and rehabilitation work in substations, covered 14.8 miles of line and cost over \$2.5 million.

Member focused

Times change, life changes, but one thing that doesn’t change is that your cooperative is here 24/7, 365 days a year. We have one focus — you. It’s a lifestyle, one that we have lived for 84 years.

There are no fancy commercials trying to convince you we do a good job. Instead, when something needs to be fixed or replaced, we do it. If trees are too close to the lines, we cut them. If our lines and equipment are nearing the end of life, we replace them before they cause an outage.

Speaking of outages, they happen, even though we try to avoid them at all costs. When they do, our lineworkers respond immediately, and you don’t have to wait three or four hours while we travel from the neighboring county.

We work hard, every day of the year, to deliver your power as efficiently, affordably and transparently as possible. The management, staff and board of directors are here to answer any of your questions or concerns. Have a question? Give us a call — real people are available during regular business hours to help. We’re your electric cooperative. We are the people you can count on! 📞

Bedford Rural Electric Cooperative, Inc. 2022 Members' Financial Report

Balance Sheet

	Year Ended December 31	
	2022	2021
ASSETS		
Net Utility Plant	\$ 42,358,477	\$ 39,705,918
Equity in Associated Organizations	14,274,028	12,300,140
Cash and Temporary Investments	551,613	574,993
Accounts Receivable	1,672,810	1,435,667
Materials and Supplies	1,217,463	746,429
Other Assets	1,344,660	1,411,857
TOTAL ASSETS	\$ 61,419,051	\$ 56,175,004
LIABILITIES AND EQUITIES		
Long-Term Debt	\$ 17,545,830	\$ 18,560,146
Consumer Deposits	755,882	1,017,917
Accounts Payable	2,095,579	2,071,796
Other Liabilities	6,428,563	2,279,779
Operating Reserves	233,707	233,707
Equities	843,739	497,955
Patronage Capital	33,515,751	31,513,704
TOTAL LIABILITIES AND EQUITIES	\$ 61,419,051	\$ 56,175,004

Statements of Revenue and Patronage Capital


	Year Ended December 31,	
	2022	2021
OPERATING REVENUES	\$ 28,019,812	\$ 27,911,140
OPERATING EXPENSES		
Cost of Power	\$ 18,931,579	\$ 19,412,515
Distribution - Operation and Maintenance	3,325,802	3,052,971
Customer Service and Information	768,747	728,913
Administrative and General	1,639,839	1,581,579
Taxes	16,382	16,257
Depreciation	1,537,120	1,481,527
Interest on Debt	542,694	467,688
TOTAL OPERATING EXPENSES	\$ 26,762,163	\$ 26,741,450
OTHER OPERATING INCOME		
G&T and Other Capital Credits	\$ 2,253,705	\$ 3,394,866
Net Operating Margins	\$ 3,511,354	\$ 4,564,556
Non-Operating Margins	24,253	6,817
NET MARGINS	\$ 3,535,607	\$ 4,571,373
PATRONAGE CAPITAL, Beginning of the Year	31,513,704	28,422,290
PATRONAGE CAPITAL, Before Capital Credits Retirement	35,049,311	32,993,663
CAPITAL CREDITS RETIREMENT	1,533,560	1,479,959
PATRONAGE CAPITAL, End of the Year	\$ 33,515,751	\$ 31,513,704


Buffamante Whipple Buttafaro, Professional Corporation, P.O. Box 849; Jamestown, New York 14702-0849, audited the cooperative's accounts and records. A complete copy of their report is available for inspection at Bedford Rural Electric Cooperative, Inc.'s office in Bedford, Pa.

Top 10 Home Electrical Safety Tips





 use a qualified electrician for repair work

repair loose outlets; replace cracked, worn electric cords 


watch for hot or discolored switch plates, flickering lights, or buzzing sounds. 


 get regular check-ups for older homes

use bulbs with correct wattage for the fixtures 

if children are present install tamper resistant outlets to protect against shock 

unplug electrics if you smell something burning 

use extension cords temporarily, not as permanent wiring 

educate the household on electrical safety 

keep cords out of walkways and high traffic areas 

Learn more about home electrical safety at

 **Safe
Electricity.org**

Bedford Rural
Electric Cooperative
will be

**CLOSED ON
MEMORIAL DAY
MAY 29, 2023**

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.