

REA Energy Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

REA ENERGY COOPERATIVE, INC.

75 Airport Road • P.O. Box 70
Indiana, PA 15701-0070
724-349-4800 • 800-211-5667

EBENSBURG DISTRICT OFFICE

127 Municipal Road
Ebensburg, PA 15931
814-472-8570

Website: www.reaenergy.com
Email: reaenergy@reaenergy.com

STAFF

Barry Baker

Indiana Operations Manager

Erin Bauer

ACRE Coordinator

Shane Cribbs

Network & Systems Manager

Dave Daugherty

Safety & Right of Way Manager

Jeff Dishong

Ebensburg Operations Supervisor

Lisa Gardill

Accounting & Finance Manager

Stacy Hilliard, CCC, CKAE

Communications & Marketing Manager

Local Pages Editor

Chris Masterson

Reliability Supervisor

Bryon Roland

Purchasing & Facilities Manager

Brendan Short

Right of Way/Forestry Supervisor

Renee Spalla

Supervisor of Consumer Services

Chris Weller

Load Management Supervisor

OUTAGES & EMERGENCIES

1-800-332-7273
724-463-7273

OFFICE HOURS

Indiana Office: 7 a.m. - 3:30 p.m.

Ebensburg Office: 7 a.m. - 3:30 p.m.
Monday, Wednesday and Friday
Closed Tuesday and Thursday

Inflation affects rates



OVER THE LAST FEW YEARS, prices of consumer goods, fuel and equipment, among multiple other items, have seen significant increases in costs. The electric industry has also been affected tremendously by rising costs. The price of nearly everything we need to provide you with power has gone up, including vehicles, poles, lines and other equipment. Some of the most standard equipment items, like transformers, have seen price hikes of nearly 400%. The cost of a new vehicle, such as a bucket

truck, has increased thousands of dollars from just a few years back, with anticipated delivery delays of up to four to five years.

While REA Energy Cooperative has seen these increases in operating costs and equipment, other costs — namely, generation and transmission costs — have also been on the rise and will affect electric utilities. As discussed in a previous article and at REA Energy's 2022 annual meeting, electric generation is the production of electricity at power stations, or generating units, where a form of primary energy is converted into electricity. An estimated 65% of your power comes from two sources that Pennsylvania and New Jersey cooperatives own. The balance is purchased on the open market.

Wholesale costs of electric generation and transmission have been increasing across the board. For example, you may have read or heard of the increases several investor-owned utilities (IOUs) have implemented since the beginning of summer. Several factors have contributed to these increases, including:

Supply and demand — Baseload generation (coal, nuclear, gas and oil) is coming offline, which is reducing supply just as demand is increasing as people return to work. As generation comes offline, we have transmission congestion, which also increases costs.

Increased fuel costs — Coal, gas and oil prices have all increased, and are continuing to increase. These are worldwide commodities traded on the open market.

Overall inflation — Inflation has been increasing over the last several months at a pace we haven't seen in more than 40 years.

So, you may be asking: What is the specific wholesale power situation for REA Energy and other Pennsylvania cooperatives? Unfortunately, our wholesale power costs are increasing along with the IOUs. While IOU rates have been going up throughout the year, your generation rates will remain the same through 2022. In 2023, however, we will be looking at a generation rate increase.

The good news is our generation company has been preparing for a rainy day, and we've been able to reduce this increase almost in half (to around 26%), which will still be lower than what our neighboring IOUs are subject to.

How will this affect our members? As a member-owned, not-for-profit electric cooperative, REA Energy increases rates only when absolutely necessary. With that, starting January 1, 2023, there will be an approximate 15% increase implemented on members' monthly bills. For the average monthly usage of 950 kilowatt-hours, this equals about an \$18 increase.

Even with this market-driven rate increase, REA members still enjoy one of the lowest rates in the state.

The increase in rate charges will allow the cooperative to continue providing

Continued on page 16D

New look to your bill

WITHIN THE NEXT COUPLE MONTHS, your monthly electric bill will look a little different. As part of REA Energy's conversion to a new software system, we are able to add some exciting new options to your monthly bill, along with offering you additional payment choices.

Some of these changes are highlighted on the sample residential bill at right and explained below. (*Please note this is a draft, and there may be other small enhancements.)

1. All account numbers will now be five digits. For example: 12345.
2. Your bill includes the address where you receive our electric service, in addition to your mailing address. If either address is different than what we have printed on the bill, there is an area on the back to make changes. You can also make changes to your contact phone number(s) and add an email address, if you choose. **Note:** For any name or company name changes, you must contact the cooperative.
3. Your account summary shows the charges for the current month, along with previous charges and payments. Sales taxes and outside yard-light charges are also shown, if applicable. Your bill is shown based on the net amount. In this section, you will also see the amount for Operation Round-Up, if you are signed up to have it automatically applied to your account.
4. The address area shows the name of the primary account holder, along with the second name on the account, if there is one, and the mailing address.
5. A section is included at the top of the bill for messages. This area will be used to display information about products and services the cooperative offers, along with other important news and announcements.
6. Your bill will include a graph of electric usage. This section features a table that compares the number of billing period days, daily usage in kilowatt-hours (kWh), and the average kWh/day for the current billing month, last billing month and the same billing month last year. There will also be a line representa-



A Touchstone Energy® Cooperative

PO BOX 70 • INDIANA PA 15701-0070
Office: 724-349-4800 • 800-211-5667
Hours: 7:00 AM - 3:30 PM (Monday - Friday)
Ebensburg: walk in only M,W,F
Website: www.reaenergy.com

Customer Name: John Doe
Jane Doe

Billing Date: 06/02/2022

Net Due Date: 06/13/2022

Account Number		Service Address		
12345		1234 N Main St		
Meter Number	Service From	To	No. Days	Previous Reading
1234567	05/02/2022	06/02/2022	30	83687

Previous Account Details
Previous Balance
Payment Received - 5/29/22
Balance Forward

Current Charges
Monthly Service Charge
First 1500 631 kWh @ 0.091810
Demand Charge 8.680 kW @ 0.0000
Current Amount Due

Net Amount Due By 06/13/2022
After 06/13/2022 Pay

----- Please detach and return bottom portion with -----



A Touchstone Energy® Cooperative

PO BOX 70 • INDIANA PA 15701-0070

I have new contact information. See back.

Scan here to download our App 

5368 1 AB 0.425 5 5368
JOHN A DOE C-17 P-22
JANE DOE
1234 N MAIN ST
ANY TOWN KS 67626-9424

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40006

REA Energy seeks to return unclaimed capital credits

Because cooperatives put people first, REA Energy Cooperative's rates are set up to cover the cost of doing business. In fact, when revenues exceed costs, you may get money back in the form of patronage capital.

This is the margin that remains after subtracting expenses from revenues each year. As a not-for-profit cooperative, REA Energy uses the capital to qualify for loans to upgrade and expand the electrical distribution system. If the board of directors decides the cooperative's financial condition permits, a portion of the capital is returned to members in the form of a check.

In 2019, REA Energy mailed out patronage capital retirement checks to some current and former members. Some of that money remains unclaimed. If not claimed, the cooperative will eventually return the money to local communities through various means. We have not been able to contact some individuals – whether that's due to an address change, name change or death. However, we are continuing our efforts to reach these people or their heirs.

A complete list of individuals who have unclaimed capital credits prior to 1981 is posted on our website, reaenergy.com. To access the list, click on the "Capital Credits" button at the top of the homepage. If you know any of the individuals listed, please contact REA Energy at memberservice@reaenergy.com, 724-349-4800 or toll-free at 800-211-5667. ****Please note: This notice applies only to members who had electric service with the cooperative in 1981 and before.****

Right-of-way management/facility construction news

REA Energy contractors will be completing tree-trimming work in the following areas in November:

- ▶ Contractor crews from Penn Line Tree Service will be trimming the rights of way of the Strongstown substation area, in addition to emergency maintenance areas.

Members in the affected areas will be notified. Contractors will perform all right-of-way work per REA Energy specifications. All contractor employees will carry employee identification cards, and their vehicles will display their company name.

If you have any questions, call 724-349-4800 or view the specifications at reaenergy.com.

FROM THE PRESIDENT & CEO

Continued from page 16A

affordable, reliable and safe electricity. The board of directors, management and employees would like to thank you in advance for your understanding. If you have any questions, please call us at 724-349-4800 or 800-211-5667 or visit our website, reaenergy.com.

CHAD CARRICK, MBA, CFPC
PRESIDENT & CEO

REA Energy will be closed Friday, Nov. 11, in observance of Veterans Day and Thursday, Nov. 24, in observance of Thanksgiving Day. Please call 724-463-7273 or 800-332-7273 to report any power outages. Payments can be placed in the drop box at both REA locations or made via our Member Portal at reaenergy.com.

Your Board of Directors



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Chairman
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District 2

REA Energy is an equal opportunity provider and employer.