

**2023 ANNUAL
REPORT**



**Sullivan County
Rural Electric
Cooperative, Inc.**





OUR MISSION:

SCREC will provide safe, dependable electric energy and related services to its members in an environmentally sound and fiscally responsible manner.

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About SCREC:

Sullivan County Rural Electric Cooperative serves over 6,000 meters in our service territory. There are approximately 3,200 members in Sullivan County, 200 in southern Bradford County, and 2,700 in Lycoming County.

Approximately 56% of the services are residential, 38% are seasonal, and 6% are commercial or industrial. The co-op maintains over 900 miles of line with 19 employees based in Forksville.

Staff:

- John Lykens, CEO
- Diane White, Executive Assistant
- Todd Molyneux,
Manager of Electric Operations
- Heidi Roupp,
Chief Financial Officer & Human Resources

DEPARTMENT HIGHLIGHTS



SAYING GOODBYE AND SAYING HELLO:

If you thought 2022 had a lot of employee turnover, buckle up for 2023!

- Previous Manager of Electric Operations Jeff Truesdale left the co-op in March, moving back home to his family in Florida. Former senior lineman Todd Molyneux was then promoted to fill the position of Manager of Electric Operations.
- Former lineman Tyler Worthen was promoted to Operations Assistant II in March.
- These promotions left two vacant spots in the line department, one of which was filled by Josh Heess, Jr. in May.
- Former Manager of Finance & Administration Dennis Klem retired in June. He was replaced by Heidi Roupp, Chief Financial Officer & Human Resources, who started in May.
- Dave Kepner was promoted to Crew Chief of the Operations Department in June.

- Former CEO Craig Harting sadly passed away on November 30 after battling cancer twice. He was CEO of the co-op for 32 years; he retired in June of 2022.



Top: Former CEO Craig Harting preparing line and tree crews for large-scale outage restoration.
Above: Lineman Josh Heess, Jr. joined the co-op in May.

OPERATIONS

HIGHLIGHTS:

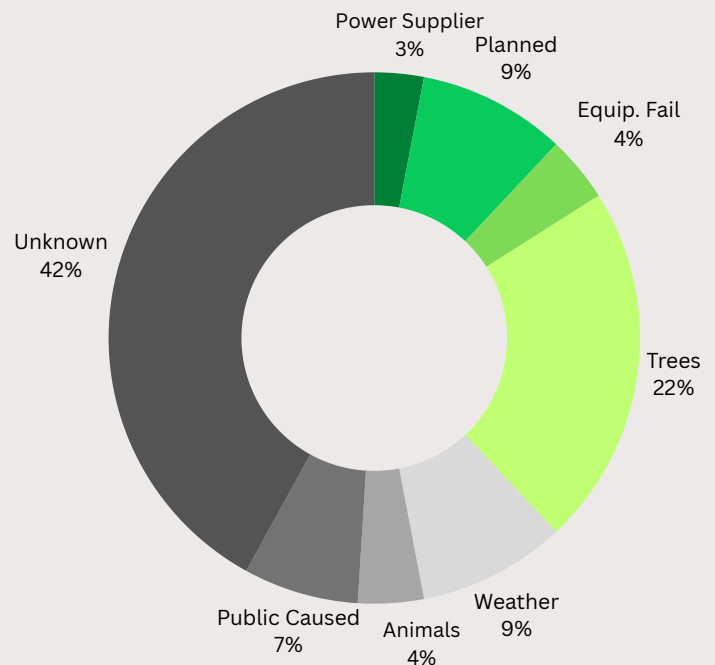
- Nine linemen for:
 - 900 miles of line
 - 22,000 poles
 - 6,139 meters
- 663 outages in 2023:
 - Averaged 15 hours per member
 - 2022 recorded 698 outages
- Contracted crews from Spako's Tree Service trimmed 7,438 trees and cut/removed 10,573 trees.
- American Energy Services, Inc. inspected 79 transmission poles and 2,199 distribution poles for safety.
- Jeff Truesdale moved, Todd Molyneux became Manager of Electric Operations.
- Tyler Worthen was promoted to Operations Assistant II.
- Josh Heess, Jr. was hired as a lineman.
- Dave Kepner was promoted to Crew Chief of the Operations Department.
- SCREC hosted a chainsaw school for linemen in PA/NJ electric co-ops in May.
- All linemen practiced pole top rescue in May.
- Linemen lent helping hands at Sullivan County Elementary School (serviced by SCREC) by digging holes for new playground equipment in July.
- Linemen and Spako's crews moved two six-ton pad-mount transformers from our pole yard to a water pumping station on Rt. 87 in August.

- SCREC interconnected its first electric vehicle meter in October.



Above: Senior lineman Chad Phillips finishes up a new service pole for a seasonal residence.

2023 OUTAGE CAUSES:



OPERATIONS



Top left, then clockwise: Crew Chief Dave Kepner saves the dummy lineman during pole top rescue. Linemen Chad Phillips (in handler), Dave Kepner, and Kendall Achey place a six-ton transformer. Dave Abernathy, SCREC's first EV meter owner. Spako's Tree Service crews clear transmission line right-of-way. Linemen Tommy Livezey and Darrick Higley replace lost shingles on the Forksville UMC.

FINANCE & ADMINISTRATION

HIGHLIGHTS:

- Total cost of purchased power was \$4,508,041.
- Total sales reached 59,401,038 KWh.
- Average KWh usage per month:
 - Residential: 876 KWh
 - Seasonal: 256 KWh
- For members on our lines during 1997-2000, and for the first quarter of 2001, 3,073 capital credit checks were mailed on October 20 totaling \$125,114.92.
- A rate increase of 10% took effect in January to combat inflation. The last rate increase was 1.8%.
- Director Ann Henderson was certified Director Gold status.
- Director Dave Aumen recertified his Director Gold status.
- Dennis Klem, Manager of Finance & Administration, retired. He was replaced by Heidi Roupp, Chief Financial Officer & Human Resources.
- SCREC conducted its first American Customer Satisfaction Index (ACSI) survey. Our members' satisfaction gave us a score of 87 out of 100.

HOW YOUR 2023 DOLLAR WAS USED:



FINANCE & ADMINISTRATION



Top left: Board of Director Chair Ann Henderson presents Director Dave Aumen with his recertification for Director Gold status.

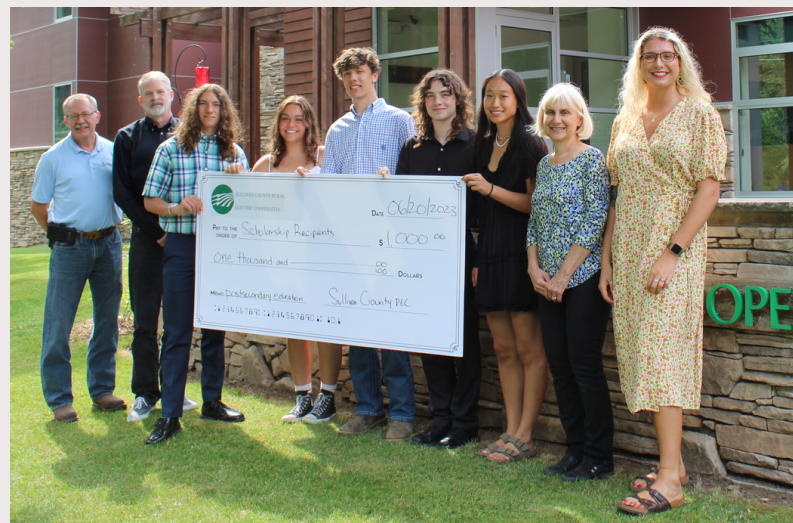
Top right: Board of Director Vice-Chair Dr. Steve Brady presents Director Ann Henderson with her certification for Director Gold status.

Above: CEO John Lykens and Director Chair Ann Henderson work together during the virtual presentation of the 2023 Annual Meeting on May 16.

MEMBER SERVICES

HIGHLIGHTS:

- SCREC hosted 25 homeschooled students in April for a crash-course on cooperatives and the electric field.
- The annual meeting was held virtually on May 16.
- Diane White and Sarah Parrish visited first-grade classes at Carl G. Renn, George A. Ferrell, and Sullivan County elementary schools to teach electrical safety.
- Four junior high school students from our service territory participated in the NRECA Youth Tour program from June 18-23 in Washington, D.C. Meet them on page 09.
- Graduating high school seniors Morgan Gower, Carmen Moores, Layne McCormick, Jett Kleese, and Peyton Pretti received the first-ever SCREC Scholarship.
- Employees from Pennsylvania Rural Electric Association (PREA) visited our cooperative office in June to meet the employees and members they serve in Harrisburg.
- Co-op employees visited with members and the community at the Lycoming County and Sullivan County fairs in July, August, and September.
- The co-op received a Best Wildcard Honorable Mention for the creation of the SCREC Scholarship at the 2023 PREA Communications Award Ceremony.



Top: Jeff Spako shows a youngster equipment used by linemen.

Above: Recipients of the first SCREC Scholarship pictured with Scholarship Committee Directors and staff.

- Members who participate in Co-op Owners for Political Action visited SCREC in October to meet with government affair employees from PREA for a night of political insight.
- The co-op created a lighted display for the Christmas Light Spectacular at the fairgrounds in Forksville.

MEMBER SERVICES



Top left, then clockwise: Sarah Parrish accepting the PREA Communications Award from Steve Brame, President & CEO of PREA & Allegheny Electric Cooperative, Inc. The co-op's display at the Christmas Light Spectacular. A first grader tries out linemen's safety gear. John Lykens demonstrates energy usage at a local fair. Youth Tour students Ryan Nolan, Emma Kelchner, Jacob Botsford, and Quinn Modispaw.

BALANCE SHEET

<u>ASSETS</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
<u>ELECTRIC PLANT:</u>		
In Service-At Cost	\$36,013,218	\$35,498,099
Construction WIP	<u>239,985</u>	<u>59,947</u>
Total Electric Plant	\$36,253,203	\$35,558,046
Less Accumulated Depreciation	<u>(\$16,502,889)</u>	<u>(\$15,516,742)</u>
Net Electric Plant	<u>\$19,750,313</u>	<u>\$20,041,304</u>
 <u>OTHER ASSETS & INVESTMENTS:</u>		
Deferred Charges	\$5,849	\$0
Investments in Associated Organizations	<u>\$3,253,591</u>	<u>\$3,376,212</u>
Total Other Assets & Investments	<u>\$3,259,440</u>	<u>\$3,376,212</u>
 <u>CURRENT ASSETS:</u>		
Cash – General Funds	\$319,084	\$52,008
Accounts Receivable, Less Provision for Uncollectable accounts	\$1,026,297	\$1,065,441
Materials & Supplies	428,837	367,255
Other Assets	<u>62,897</u>	<u>73,078</u>
Total Current Assets	\$1,837,836	\$1,557,782
Total Assets	<u>\$24,847,588</u>	<u>\$24,975,298</u>
 <u>EQUITIES AND LIABILITIES</u>		
<u>EQUITIES:</u>		
Patronage Capital	\$4,753,860	\$5,077,695
Permanent Capital	6,245,196	5,698,131
Other Equities	<u>10,487</u>	<u>108,876</u>
Total Equities	<u>\$11,009,543</u>	<u>\$10,884,702</u>
 <u>LONG-TERM DEBT:</u>		
CFC Mortgage Notes, Less Current Maturities	\$8,397,073	\$8,666,830
Farmer MAC Mortgage Notes, Less Current	<u>2,989,917</u>	<u>3,144,815</u>
Total Long-Term Debt	<u>\$11,386,990</u>	<u>\$11,811,645</u>

BALANCE SHEET (continued)

CURRENT LIABILITIES:

Current Maturities of Long-Term Debt	\$833,733	\$831,871
Credit Line-CFC	0	75,000
Cash Overdrafts	0	209,339
Accounts Payable		
Purchased Power	368,171	315,562
Other	131,815	113,037
Consumer Deposits & Prepayments	158,500	87,072
Other Current & Accrued Liabilities	<u>907,708</u>	<u>580,690</u>
Total Current Liabilities	<u>\$2,399,927</u>	<u>\$2,212,571</u>
Total Liabilities	<u>\$13,786,917</u>	<u>\$14,024,216</u>

DEFERRED CREDITS:

	<u>\$51,128</u>	<u>\$66,380</u>
Total Equities & Liabilities	<u>\$24,847,588</u>	<u>\$24,975,298</u>



STATEMENTS OF REVENUE AND EXPENSES

<u>OPERATING REVENUES:</u>	<u>12/31/2023</u>	<u>12/31/2022</u>
Sales Revenue	\$10,593,984	\$9,865,512
Gain on disposition of assets	<u>0</u>	<u>11,950</u>
Total Operating Revenues	<u>\$10,593,984</u>	<u>\$9,877,462</u>
<u>OPERATING EXPENSES:</u>		
Cost of power	\$4,177,541	\$3,316,818
Distribution-operations	234,336	213,873
Distribution-maintenance	2,263,559	2,217,307
Consumer accounts	469,281	125,889
Customer service & information	188,720	449,818
Administration & general	1,355,979	1,291,642
Depreciation	970,456	1,058,328
Taxes	17,355	16,891
Interest	<u>14,807</u>	<u>15,374</u>
Total Operating Expenses	\$9,692,034	\$8,705,940
Operating Margin Before Fixed Charges	\$901,950	\$1,171,522
<u>FIXED CHARGES:</u>		
Interest on long-term debt	<u>\$536,536</u>	<u>\$527,909</u>
Operating Margin After Fixed Charges	\$365,414	\$643,613
<u>OTHER OPERATING MARGINS:</u>		
G&T and other capital credits	\$126,323	\$427,815
<u>NET OPERATING MARGIN:</u>	<u>\$491,737</u>	<u>\$1,071,428</u>





DIRECTOR DISTRICTS:

DIRECTOR	COUNTY	TOWNSHIP(S)
Ann Henderson, Chair	Bradford/Sullivan	Canton/Fox
Karen Beinlich	Sullivan	Elkland, Hillsgrove
James Lambert	Bradford/Sullivan	Overton/ Forks, Forksville Borough
Jeff Hamilton	Bradford/Sullivan	Albany/ Cherry, Laporte, Laporte Borough
Kathy Robbins, Secretary/Treasurer	Lycoming/Sullivan	Franklin, Jordan, Penn/ Davidson, Shrewsbury
Jay Lewis	Lycoming	Mill Creek, Shrewsbury, Wolf
David Rakestraw	Lycoming	Upper Fairfield
David Aumen	Lycoming	Plunketts Creek
Stephan Brady, Vice Chair	Lycoming	Cascade, Gamble, Lewis

OUR EMPLOYEES

- **Kendall Achey** - Lineman
 - **Nolan Chase** - Lineman
 - **Diane Cusson** - Accounts Payable
 - **Josh Heess, Jr.** - Lineman
 - **Darrick Higley** - Lineman
 - **Dave Kepner** - Lineman
 - ***Dennis Klem** - Manager of Finance and Administration
 - **Alex Laudermilch** - Lineman
 - **Tom Livezey** - Lineman
 - **John Lykens** - CEO
 - **Todd Molyneux** - Manger of Electric Operations
 - **Sarah Parrish** - Cooperative Communicator
 - **Chad Phillips** - Lineman
 - **Kim Phillips** - Office Secretary
 - **Heidi Roupp** - Chief Financial Officer & Human Resources
 - **Jeff Spako** - Operations Assistant I
 - ***Jeff Truesdale** - Manger of Electric Operations
 - **Diane White** - Executive Assistant
 - **Lori Williams** - Billing Clerk
 - **Tyler Worthen** - Operations Assistant II
- *Employee retired/left in 2023**



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