

Sullivan County Rural Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

Sullivan County REC
 P.O. Box 65
 Forksville, PA 18616
 570-924-3381
 1-800-570-5081
 Email: screc@epix.net
 Website: www.screc.com

Staff

Craig A. Harting, CEO
Dennis Klem, Manager, Finance and Administration
Walt Tubach, Manager, Electric Operations
Diane E. White, Executive Assistant

BOARD OF DIRECTORS

David L. Aumen – CCD*/BLC/Gold*****
Chairman
Jay Lewis – CCD/BLC
Vice Chairman
Kathy A. Robbins – CCD/BLC/Gold
Secretary
Stephan Paul Brady – CCD/BLC/Gold
Jeff Hamilton – CCD/BLC/Gold
Ann B. Henderson – CCD/BLC
Jim Lambert – CCD
David R. Rakestraw

*Credentialed Cooperative Director
 **Board Leadership Certificate
 ***Director Gold Certificate

Office Hours
 Monday through Friday
 7 a.m. - 3:30 p.m.

From the CEO



See you later

By Craig A. Harting

I'M NOT SURE which was harder: writing my first column or my last one.

In my first column, I introduced myself and proceeded to write about Hurricane Hugo, which hit us on Sept. 22, 1989. Unfortunately, I can do the same with my last column and write about the foot of wet snow that arrived here two days after Easter, on Tuesday, April 19.

After college, I worked for neighboring Tri-County Rural Electric Cooperative (REC) in Mansfield. Then, I was fortunate to be named Sullivan County REC's CEO, starting in September 1989. I will retire on June 2.

Made great strides

Over the years, we've made numerous improvements and were able to accomplish many things by all of us working together — by that, I mean the board, employees and you, our members. Without your support, nothing happens. We've had great boards, and they embraced new and different ideas that made us successful.

All the ideas in the world aren't much good if you can't implement them. I've been fortunate to have been a small part of a great group of employees who have worked hard and made things happen. We've been able to update substations and build backfeeds to bring power in from other areas when we lose supply.

We've updated buildings, vehicles and equipment.

The right-of-way program has paid many dividends over the years. A good program will eliminate many outages before they happen. Also, a good right of way will shorten patrol times, allow easier access to power lines and reduce restoration time.

Challenges remain

There will be challenges in the future. Some of the system is old, and replacement is expensive. Will electric vehicles have a big impact on us and will members use more power? Or, will there be more solar installations and members will use less power? What will future technology bring to us and how much will it cost?

The board has made an excellent selection in John Lykens as my successor (see article on page 12d). I know John will build on our past successes and continue to move us forward. He has the skills and experience to lead, direct and guide us into the future.

See you later


I wish all of you the very best and want to assure you the future of Sullivan County REC will continue to shine brightly if you continue to support your cooperative. I won't say goodbye, but rather "see you later." 🌸

Balance Sheets

December 31,	2021	2020
Electric Plant		
Electric Plant in Service	34,733,080	33,899,436
Construction in Progress	84,741	39,723
	<u>34,817,821</u>	<u>33,939,159</u>
Accumulated Depreciation	(14,906,093)	(14,176,671)
	<u>19,911,728</u>	<u>19,762,488</u>
Other Assets & Investments		
Investment in Associated Organizations	3,052,820	2,556,052
Current Assets		
Cash - General Fund	110,291	93,687
Accounts Receivable (net allowance)	1,056,395	1,037,991
Materials & Supplies	258,340	204,546
Other Current & Accrued Assets	74,704	54,806
	<u>1,499,730</u>	<u>1,391,030</u>
Deferred Credits	60,705	121,410
Total Assets	<u><u>24,524,983</u></u>	<u><u>23,830,980</u></u>
Equities		
Patronage Capital	4,663,908	4,160,433
Permanent Capital	5,259,829	4,233,595
Other Equities	66,368	18,639
	<u>9,990,105</u>	<u>8,412,667</u>
Total Member's Equity	9,990,105	8,412,667
Long-Term Debt		
CFC Mortgages notes, Less current	8,058,705	8,536,469
Farmer MAC mortgages notes, Less current	3,676,760	4,032,903
	<u>11,735,465</u>	<u>12,569,372</u>
Total LTD	11,735,465	12,569,372
Current Maturities		
Current maturities of long-term debt	834,652	793,453
Credit Line CFC	450,000	150,000
PPP note payable	-	414,300
Cash Overdraft	277,998	348,178
Accounts Payable		
Purchased power	300,644	285,476
Other	94,250	79,427
Consumer Deposits & Prepayments	70,834	44,216
Other Current & Accrued Liabilities	690,783	639,192
	<u>2,719,161</u>	<u>2,754,242</u>
Total Current Liabilities	2,719,161	2,754,242
Total Liabilities	14,454,626	15,323,614
Deferred Credits	80,252	94,699
Total Liabilities & Equities	<u><u>24,524,983</u></u>	<u><u>23,830,980</u></u>

Statements of Revenue and Expenses

Year Ended December 31,	2021	2020
Operating Revenues	9,510,512	9,293,634
Operating Expenses		
Cost of Power	3,218,031	3,134,086
Distribution Expenses - Operations	248,302	249,045
Distribution Expenses - Maintenance	2,103,798	1,802,154
Consumer accounts	140,121	146,856
Customer service & information	373,211	423,986
Administrative & general	1,139,616	1,201,538
Depreciation	1,034,323	1,016,401
Taxes	16,459	16,281
Interest - other	5,788	5,081
 Total Operating Expenses	 8,279,649	 7,995,428
Operating margin before fixed charges	1,230,863	1,298,206
Fixed charges		
Interest on L-T Debt	556,211	594,447
 Operating margin after fixed charges	 674,652	 703,759
Other Operating Margins		
G&T and other capital credits	723,370	338,348
Gain on disposal of assets	0	0
 Net Operating Margin	 1,398,022	 1,042,107
Non Operating Margins		
Interest Income	10,480	10,716
PPP Grant	414,300	0
Other non-operating margins	3,517	4,110
 Total Non-Operating Margins	 428,297	 14,826



COMMON UTILITY SCAMS: BOGUS BILLS

Scammers send suspicious emails that include a bill that appears to be from us. Never open these attachments or click links in suspicious emails.

John Lykens selected as next CEO

AFTER A NATIONAL search conducted by the National Rural Electric Cooperative Association's Executive Search Group, the board of directors of Sullivan County Rural Electric Cooperative (REC) has selected energy veteran John Lykens as its next chief executive officer (CEO).



John Lykens

Lykens joined the cooperative on May 16 and assumed the CEO position on June 3. Between May and June, he worked with Craig Harting, the co-op's retiring CEO, in a transitional role. Harting served the members of Sullivan County REC as CEO for 32 years.

Lykens comes to his new job from Utility Engineers, PC, in Kingston, Pa., where he served as a principal engineer

responsible for substation, transmission and distribution design. Additional experience includes employment by four other Pennsylvania energy groups: Tri-County REC, Claverack REC, Penelec - A FirstEnergy Company and the Quad Three Group.

"I am honored and humbled to be chosen to follow Craig Harting as Sullivan County's next CEO," Lykens says, "and will do my best to cooperatively lead Sullivan County REC in continuing to fulfill its mission of providing safe, dependable electric energy and related services to its members in an environmentally sound and fiscally responsible manner."

"The Sullivan County REC Board has made an excellent choice in selecting Mr. Lykens," Chairman Dave Aumen says. "His broad and extensive experience will position us well in the future." ❁

Are you prepared for an outage?

Sullivan County Rural Electric Cooperative will install a generator switch behind your meter that connects your generator to your home.

The switch will automatically shift to generator power during an outage and comes with a removable cord that plugs into the switch and your generator.



A 30-amp switch costs \$583 (tax included) and a 40-amp switch costs \$689 (tax included). Our lineworkers will install the switch at no cost. Call the office if you are interested in a generator switch.

**SULLIVAN COUNTY REC'S OFFICE
WILL BE CLOSED MONDAY, JULY 4, IN
OBSERVANCE OF INDEPENDENCE DAY.**



BE PREPARED BEFORE A STORM STRIKES

In the event of a power outage, be prepared by keeping the following items in an easy-to-find emergency supply kit.



■ WATER

Three-day supply, one gallon per person per day.



■ TOOLS

Flashlight, extra batteries, manual can opener, battery-powered or hand-crank radio, NOAA Weather Radio with tone alert.



■ FIRST AID KIT AND PRESCRIPTIONS

First aid supplies, hand sanitizer and at least one week's supply of prescriptions and medications for the family.

Learn more at www.ready.gov



AMERICA'S ELECTRIC COOPERATIVES

Source: American Red Cross, Federal Emergency Management Agency.